

Company Registration No.: C12946 / AG



30 AUG 2012

ONE PRODUCTIONS LIMITED

**Annual Report
and
Financial Statements**

31 December 2010

ONE PRODUCTIONS LIMITED
Annual Financial Statements for the year ended 31 December 2010

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ONE PRODUCTIONS LIMITED
Annual Financial Statements for the year ended 31 December 2010

GENERAL INFORMATION

Registration

One Productions Limited is registered in Malta as a limited liability company under the Companies Act, 1995. The company's registration number is C 12946.

Directors

Mr. Jason Micallef (Chairperson)
Mr. David Borg
Mr. Jason Busuttil
Mr. Mario Cutajar
Mr. Anthony Sultana

Company Secretary

Mr. Nicholas Briffa

Registered Office

Centru Nazzjonali Laburista
Mile End Street
Hamrun
MALTA

Bankers

Bank of Valletta plc
9/10 Bridge Wharf
Marsa
MALTA

Lombard Bank Malta p.l.c
67, Republic Street
Valletta
MALTA

HSBC Bank Malta plc
25th November Avenue
Zejtun ZTN 2018
MALTA

Auditors

RSM Malta
'Cobalt House', 2nd Floor
Notabile Road
Mriehel
BKR 3000
MALTA

ONE PRODUCTIONS LIMITED
Annual Financial Statements for the year ended 31 December 2010

DIRECTORS' REPORT

The directors submit their annual report and the audited financial statements for the year ended 31 December 2010.

Principal activity

The company's principal activity, which is unchanged since last year, is the operation of a radio and TV station.

Results and dividends

The statement of comprehensive income is set out on page 7. The directors do not recommend the payment of a dividend.

Review of the business

During the year ended 31 December 2010, the company made a loss before tax of €507,479 (2009 loss: €833,282). The directors expect the present level of operating activity to improve in the future.

Events since the balance sheet date

There were no events since the financial position date which materially affect the position of the company.

Directors

During the year ended 31 December 2010 the directors were as listed on page 2.

There were no changes in the directorship since the last report to the date of this report. In accordance with the company's Memorandum and Articles of Association, the present directors remain in office.

Statement of directors' responsibilities

The Companies Act, 1995 requires the directors to prepare financial statements for each financial period which give a true and fair view of the financial position of the company as at the end of the financial period and of the profit or loss for that period.

In preparing the financial statements, the directors are required to: -

- adopt the going concern basis unless it is inappropriate to presume that the company will continue in business;
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting period on the accrual basis; and
- prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union.

ONE PRODUCTIONS LIMITED
Annual Financial Statements for the year ended 31 December 2010

DIRECTORS' REPORT - continued

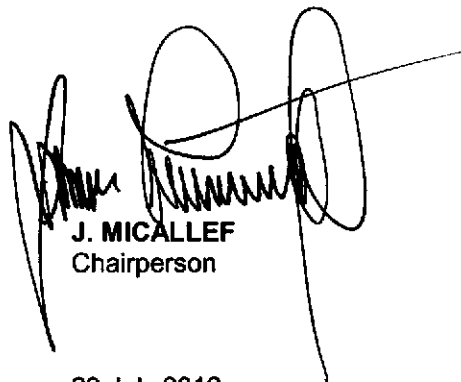
Statement of directors' responsibilities – continued

The directors are responsible for keeping proper accounting records which 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, 1995. 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.

Auditors


RSM Malta have expressed their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

The Directors' Report was approved by the Board of Directors and was signed on its behalf by:



J. MICALLEF
Chairperson

23 July 2012



D. BORG
Director

INDEPENDENT AUDITORS' REPORT

To the members of One Productions Limited

We have audited the accompanying financial statements of One Productions Limited, which comprise the statement of financial position as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes set out on pages 7 to 20.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

INDEPENDENT AUDITORS' REPORT - continued

Basis for Qualified Opinion

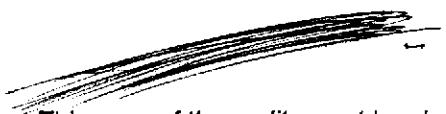
During the year ended 31 December 2010, the company incurred a loss of €507,479, and as of that date, its current liabilities exceeded its current assets by €3,396,938 and total liabilities exceeded total assets by €2,704,029. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern.

Note 1 to these financial statements discloses clearly the existence of this material uncertainty, and the fact that the company may consequently be unable to realise its assets and discharge its liabilities in the normal course of business.

However, the financial statements do not adequately disclose management's plans to deal with these conditions.

Qualified Opinion

In our opinion, except for the incomplete disclosure of the information referred to in the Basis for Qualified Opinion paragraph, the financial statements give a true and fair view of the financial position of One Productions Limited as of 31 December 2010, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and have been properly prepared in accordance with the Companies Act, 1995.



*This copy of the audit report has been signed by
Taddeo Scerri (Partner)
for and on behalf of*

RSM Malta
Certified Public Accountants

23 July 2012

ONE PRODUCTIONS LIMITED
Annual Financial Statements for the year ended 31 December 2010

STATEMENT OF COMPREHENSIVE INCOME

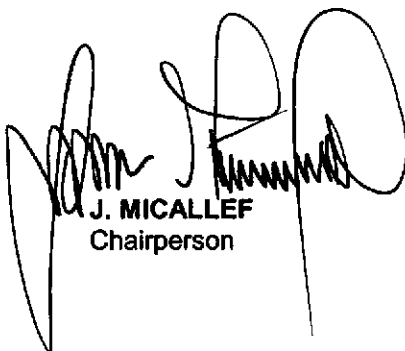
	Notes	2010 €	2009 €
Net revenue	4	2,502,613	2,110,478
Operating expenses		<u>(1,785,656)</u>	<u>(1,859,493)</u>
Gross profit		716,957	250,985
Administrative expenses		<u>(1,195,086)</u>	<u>(1,020,542)</u>
Operating loss	5	(478,129)	(769,557)
Dividend income		58,400	-
Net interest payable and similar charges	7	<u>(87,750)</u>	<u>(63,725)</u>
Loss before tax		(507,479)	(833,282)
Tax	8	<u>-</u>	<u>-</u>
Loss for the financial year		<u>(507,479)</u>	<u>(833,282)</u>
Total comprehensive loss for the year		<u>(507,479)</u>	<u>(833,282)</u>

ONE PRODUCTIONS LIMITED
Annual Financial Statements for the year ended 31 December 2010

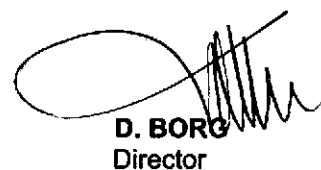
STATEMENT OF FINANCIAL POSITION
At 31 December 2010

	Notes	2010 €	2009 €
ASSETS			
Non-current assets			
Tangible fixed assets	9	1,320,470	1,469,772
Investment in subsidiary	10	1,500	1,500
Loan to subsidiary company	18	-	11,637
		<u>1,321,970</u>	<u>1,482,909</u>
Current assets			
Loan to subsidiary company	18	11,531	35,486
Debtors	12	2,047,805	1,885,061
Cash at bank and in hand		2,208	14,735
		<u>2,061,544</u>	<u>1,935,282</u>
TOTAL ASSETS		<u>3,383,514</u>	<u>3,418,191</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	13	1,164,687	1,164,687
Retained earnings		(3,915,342)	(3,425,350)
Other reserve		46,626	64,113
Total equity		<u>(2,704,029)</u>	<u>(2,196,550)</u>
Creditors: Amounts falling due after more than one year			
Interest bearing borrowings	14	96,495	11,637
Other creditors	15	532,566	505,629
		<u>629,061</u>	<u>517,266</u>
Creditors: Amounts falling due within one year			
Interest bearing borrowings	14	600,844	814,662
Trade and other creditors	16	4,857,638	4,282,813
		<u>5,458,482</u>	<u>5,097,475</u>
Total liabilities		<u>6,087,543</u>	<u>5,614,741</u>
TOTAL EQUITY AND LIABILITIES		<u>3,383,514</u>	<u>3,418,191</u>

The financial statements on pages 7 to 20 have been authorised for issue by the Board of Directors on 23 July 2012 and were signed on its behalf by:



J. MICALLEF
Chairperson



D. BORG
Director

ONE PRODUCTIONS LIMITED
Annual Financial Statements for the year ended 31 December 2010

STATEMENT OF CHANGES IN EQUITY

	Share capital €	Retained earnings €	Other Reserve €	Total €
Financial year ended 31 December 2009				
Balance at 1 January 2009	1,164,687	(2,609,555)	81,600	(1,363,268)
Total comprehensive loss for the year - loss for the year	-	(833,282)	-	(833,282)
Transfers between reserves		17,487	(17,487)	-
Balance at 31 December 2009	1,164,687	(3,425,350)	64,113	(2,196,550)
Financial year ended 31 December 2010				
Balance at 1 January 2010	1,164,687	(3,425,350)	64,113	(2,196,550)
Total comprehensive loss for the year - loss for the year	-	(507,479)	-	(507,479)
Transfers between reserves	-	17,487	(17,487)	-
Balance at 31 December 2010	1,164,687	(3,915,342)	46,626	(2,704,029)

ONE PRODUCTIONS LIMITED
Annual Financial Statements for the year ended 31 December 2010

STATEMENT OF CASH FLOWS

	Note	2010 €	2009 €
Cash flows from operating activities			
Net loss before tax		(507,479)	(833,282)
Adjustments for:			
Depreciation of tangible fixed assets		369,324	402,326
Provision for bad and doubtful debts		185,428	60,385
Interest payable		87,750	63,725
Operating profit/(loss) before working capital changes		135,023	(306,846)
Increase in debtors		(380,149)	(5,559)
Increase in creditors		575,231	831,656
Cash generated from operations		330,105	519,251
Interest paid		(87,750)	(28,735)
Net cash from operating activities		242,355	490,516
Cash flows from investing activities			
Purchase of tangible assets		(220,022)	(397,111)
Loan to subsidiary company		35,592	(47,123)
		(184,430)	(444,234)
Cash flows from financing activities			
Movement in amount owed to ultimate shareholder		26,937	16,267
Movement in related undertakings balances		31,571	(15,392)
Movement on bank loans		53,732	(38,298)
Net cash generated from/(used in) financing activities		112,240	(37,423)
Net movement in cash and cash equivalents		170,165	8,859
Cash and cash equivalents at beginning of year		(613,749)	(622,608)
Cash and cash equivalents at end of year	17	443,584	(613,749)

ONE PRODUCTIONS LIMITED
Annual Financial Statements for the year ended 31 December 2010

NOTES TO THE FINANCIAL STATEMENTS

1. GOING CONCERN

During the year ended 31 December 2010, the company incurred a loss of €507,479. As of that date, its current liabilities exceeded its current assets by €3,396,938 and total liabilities exceeded total assets by €2,704,029. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern, and, consequently, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors are confident that the Board and the company's management have taken appropriate steps to improve the trading results of the company. Furthermore, the ultimate shareholders have indicated in writing their willingness to continue offering support to the company. Consequently, these financial statements have been prepared on a going concern basis.

2. NEW AND REVISED STANDARDS

During the year under review, the company adopted a number of standards and interpretations issued by the International Accounting Standards Board and International Financial Reporting Interpretations Committee, and endorsed by the European Union. The directors are of the opinion that the adoption of these standards and interpretations did not have a material impact on these financial statements.

There have been no instances of early adoption of standards and interpretations ahead of their effective date. At the date of statement of financial position, certain new standards and interpretations were in issue and endorsed by the European Union, but not yet effective for the current financial year. The directors anticipate that the initial application of the new standards and interpretations on 1 January 2011 will not have material impact on the financial statements.

3. ACCOUNTING POLICIES

The principal accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Accounting convention and basis of preparation

These financial statements are prepared in accordance with the provisions of the Companies Act, 1995 enacted in Malta, which require adherence to International Financial Reporting Standards as adopted by the European Union. These financial statements are prepared under the historical cost convention.

The functional and reporting currency of the company is the Euro (€).

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The directors have considered the development, selection and disclosure of the Company's critical accounting policies and estimates and the application of these policies and estimates. Estimates and judgements are continually evaluated and are based on historical and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the opinion of the company's directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

ONE PRODUCTIONS LIMITED
Annual Financial Statements for the year ended 31 December 2010

NOTES TO THE FINANCIAL STATEMENTS – continued

3. ACCOUNTING POLICIES - continued

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

Rendering of services

Revenue is recognised on the performance of the service, net of VAT, commissions and discounts.

Foreign currencies

Transactions in foreign currencies have been converted into Euro at the rates of exchange ruling on the date of the transaction. Assets and liabilities denominated in foreign currencies have been translated into Euro at the rates of exchange ruling at the statement of financial position date. All resulting differences are taken to the statement of comprehensive income.

Debtors

Trade debtors, including amounts due from related parties, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

Related company

The term related company refers to a company having substantial common shareholders.

Tangible fixed assets

Tangible fixed assets are initially recorded at cost, and subsequently measured at cost less accumulated depreciation and any impairment losses.

Gains and losses on disposal of tangible fixed assets are determined by reference to their carrying amount and are taken into account in determining operating profit.

Depreciation is calculated using the straight-line method to write off the cost of the assets to their residual values over their estimated useful life as follows:

	%
Improvement to premises	5.0
Radio and TV equipment	15.0
Equipment, furniture and fittings	10.0
Motor vehicles	20.0
Computer and graphical equipment	33.3
Electrical and mechanical installations	15.0

ONE PRODUCTIONS LIMITED
Annual Financial Statements for the year ended 31 December 2010

NOTES TO THE FINANCIAL STATEMENTS – continued

3. ACCOUNTING POLICIES - continued

Impairment of assets

The carrying amounts of the company's assets are reviewed at each financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated, and an impairment loss is recognised whenever its carrying amount exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss has been recognised.

Cash and cash equivalents

Cash in hand and at bank and short-term deposits which are held to maturity are carried at cost.

Cash and cash equivalents are defined as cash in hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash in hand and deposits at banks, net of outstanding bank overdrafts.

Borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received and including acquisition charges associated with the borrowing/loan.

Borrowing costs are recognised as an expense in the period in which they are incurred.

Trade and other creditors

Liabilities for trade and other amounts payable, including amounts due to related parties, are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

ONE PRODUCTIONS LIMITED
Annual Financial Statements for the year ended 31 December 2010

NOTES TO THE FINANCIAL STATEMENTS – continued

3. ACCOUNTING POLICIES - continued

Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the financial position date, and any adjustments to tax payable in respect of previous years.

Deferred income tax is provided using the liability method, providing for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, based on tax rates that have been enacted or substantively enacted by the financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised and/or sufficient taxable temporary differences are available. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4. NET REVENUE

	2010	2009
	€	€
Advertising	1,679,088	1,282,403
Airtime	651,490	530,957
Teleshopping	64,182	51,776
Other	107,853	245,342
	<u>2,502,613</u>	<u>2,110,478</u>

Net advertising revenue represents the invoiced value of services rendered less commissions payable.

5. OPERATING LOSS

The operating loss is stated after charging:

	2010	2009
	€	€
Staff costs (note 6)	1,469,973	1,486,110
Auditors' remuneration	5,345	5,046
Depreciation of tangible fixed assets (note 9)	<u>369,324</u>	<u>402,330</u>

ONE PRODUCTIONS LIMITED
Annual Financial Statements for the year ended 31 December 2010

NOTES TO THE FINANCIAL STATEMENTS - continued

6. STAFF COSTS

The staff costs incurred during the year were as follows:

	2010	2009
	€	€
Wages and salaries	1,375,271	1,395,616
Social security costs	94,702	90,494
	<u>1,469,973</u>	<u>1,486,110</u>

The average number of persons employed by the company during the year was as follows:

	2010	2009
	Number	Number
Full-timers	86	90
Part-timers	57	57
	<u>57</u>	<u>57</u>

7. NET INTEREST PAYABLE AND SIMILAR CHARGES

	2010	2009
	€	€
On bank loans and overdraft	38,682	47,968
On loan to subsidiary	-	(3,294)
On overdue VAT/FSS	49,068	19,051
	<u>87,750</u>	<u>63,725</u>

8. TAX

Provision for Malta income tax has not been made in these financial statements in view of the tax losses incurred in previous years.

ONE PRODUCTIONS LIMITED
Annual Financial Statements for the year ended 31 December 2010

NOTES TO THE FINANCIAL STATEMENTS - continued

9. TANGIBLE FIXED ASSETS

	Improvement to premises €	Radio & TV equipment €	Equipment, furniture & fittings €	Motor vehicles €	Computer & graphical equipment €	Electrical & mechanical installations €	Total €
Year ended 31 December 2010							
Opening net book amount	177,757	1,025,140	210,051	14,291	34,063	8,470	1,469,772
Additions	35,883	148,849	31,223	1,136	2,931	-	220,022
Depreciation charge	(17,230)	(285,796)	(33,452)	(7,688)	(23,197)	(1,961)	(369,324)
Closing net book amount	196,410	888,193	207,822	7,739	13,797	6,509	1,320,470
At 31 December 2010							
Cost	387,405	4,493,085	652,389	127,948	554,198	131,817	6,346,842
Accumulated depreciation	(190,995)	(3,604,892)	(444,567)	(120,209)	(540,401)	(125,308)	(5,026,372)
Net book amount	196,410	888,193	207,822	7,739	13,797	6,509	1,320,470
At 31 December 2009							
Cost	351,522	4,344,236	621,166	126,812	551,267	131,817	6,126,820
Accumulated depreciation	(173,765)	(3,319,096)	(411,115)	(112,521)	(517,204)	(123,347)	(4,657,048)
Net book amount	177,757	1,025,140	210,051	14,291	34,063	8,470	1,469,772

ONE PRODUCTIONS LIMITED
Annual Financial Statements for the year ended 31 December 2010

NOTES TO THE FINANCIAL STATEMENTS - continued

10. INVESTMENT IN SUBSIDIARY

	2010	2009
	€	€
Unquoted shares at cost	<u>1,500</u>	<u>1,500</u>

The investment represents 99.93% shareholding in Redtouch Fone Limited. Such company has its registered office at Centru Nazzjonali Laborista, Mile End Street, Hamrun, Malta and its principal activity is to provide cellular mobile telephony services. One Productions Limited does not prepare consolidated financial statements since these are prepared by its parent company, MLP Holdings Limited.

11. DEFERRED TAX

The company has a potential deferred tax asset amounting to €1,724,065 (2009: €1,532,085).

The directors do not consider it prudent to recognise this deferred tax asset, which arises as follows on:

	2010	2009
	€	€
differences between the net book value of tangible fixed assets and their tax base	(32,571)	(34,080)
capital allowances	957,644	832,073
unabsorbed tax losses	526,780	526,780
provision for bad and doubtful debts	272,212	207,312
	<u>1,724,065</u>	<u>1,532,085</u>

12. DEBTORS

	2010	2009
	€	€
Trade debtors	2,004,361	1,832,343
Amounts due by related parties	1,902	-
Amounts due by subsidiary	-	33,879
Other debtors	106	15
Prepayments and accrued income	41,436	18,824
	<u>2,047,805</u>	<u>1,885,061</u>

Trade debtors are stated net of a provision for bad and doubtful debts amounting to €777,748 (2009: €592,320).

13. SHARE CAPITAL

	2010	2009
	€	€
Authorised, Issued and fully paid up		
100,000 ordinary shares of € 2.329373 each	232,938	232,938
400,000 - 8.5% cumulative redeemable preference shares of € 2.329373 each	931,749	931,749
	<u>1,164,687</u>	<u>1,164,687</u>

ONE PRODUCTIONS LIMITED
Annual Financial Statements for the year ended 31 December 2010

NOTES TO THE FINANCIAL STATEMENTS - continued

14. INTEREST BEARING BORROWINGS

	2010 €	2009 €
Falling due within one year		
Bank overdraft	445,792	628,484
Bank loans	155,052	186,178
	<u>600,844</u>	<u>814,662</u>
 Falling due after more than one year		
Bank loans	<u>96,495</u>	<u>11,637</u>
 Total borrowings	<u>697,339</u>	<u>826,299</u>

The company's bank facilities are secured by general and special hypothecs on the assets of One Productions Ltd and on assets of the Partit Laburista, by pledges on various insurance policies covering hypothecated property and by various third party guarantees. The bank overdraft facility and bank loans carry interest of 5.45% per annum.

15. OTHER CREDITORS

	2010 €	2009 €
Falling due after more than one year		
Amounts due to ultimate shareholder	<u>532,566</u>	<u>505,629</u>

Amounts due to ultimate shareholder are unsecured, interest free and have no fixed date of repayment. It is not envisaged that any repayments will be made in the next twelve months.

16. TRADE AND OTHER CREDITORS

	2010 €	2009 €
Falling due within one year		
Trade creditors	1,314,725	1,346,722
Amount due to related parties	1,595	2,001
VAT payable	909,925	743,548
Advance deposits	1,027	1,027
Capital creditors	353,509	327,673
Accruals	339,895	265,118
Social security contributions and FSS	1,936,962	1,596,724
	<u>4,857,638</u>	<u>4,282,813</u>

ONE PRODUCTIONS LIMITED
Annual Financial Statements for the year ended 31 December 2010

NOTES TO THE FINANCIAL STATEMENTS - continued

17. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash in hand and balances with banks. Cash and cash equivalents included in the cash flow statement reconcile to the balance sheet amounts as follows:

	2010 €	2009 €
Cash at bank and in hand	2,208	14,735
Bank overdraft	(445,792)	(628,484)
	<u>(443,584)</u>	<u>(613,749)</u>

18. LOAN TO SUBSIDIARY

	2010 €	2009 €
Falling due within one year		
Loan receivable from subsidiary	<u>11,531</u>	<u>35,486</u>
Falling due after more than one year		
Loan receivable from subsidiary	<u>-</u>	<u>11,637</u>
Total amount receivable from subsidiary	<u>11,531</u>	<u>47,123</u>

19. FINANCIAL INSTRUMENTS

At the year end, the company's main financial assets on the statement of financial position comprised trade debtors. At the year end, there were no off-balance sheet financial assets.

At the year end, the company's main financial liabilities on the statement of financial position consisted of interest bearing bank borrowings, trade and other creditors and amounts due to the ultimate shareholder. At the year end, there were no off-balance sheet financial liabilities.

Timing of cash flows

The presentation of the financial assets and liabilities listed above under the current and non-current headings within the statement of financial position is intended to indicate the timing in which cash flows will arise.

Credit risk

Financial assets which potentially subject the company to concentrations of credit risk consist principally of amounts owed by trade debtors.

Carrying amounts owed by debtors are stated net of the necessary provisions which have been prudently made against bad and doubtful debts in respect of which management reasonably believes that recoverability is doubtful.

ONE PRODUCTIONS LIMITED

Annual Financial Statements for the year ended 31 December 2010

NOTES TO THE FINANCIAL STATEMENTS - continued

19. FINANCIAL INSTRUMENTS

Fair values

The carrying amounts of cash at bank, debtors, creditors and accrued expenses approximated their fair values. The fair values of borrowings are not materially different from their carrying amounts.

20. CONTINGENT LIABILITY

The company has received a statement from the Commissioner of Inland Revenue which indicates that interest on FSS tax and social security outstanding amounts is due by the company. The cumulative total of such interest amounts to approximately €590,000. The company is disputing the charge made by the CIR in full and thus full provision for such interest has not been made in these financial statements.

The company has also received statements from the Department of VAT that indicate that the company owes €150,000 by way of interest on outstanding VAT balances. The company is also disputing these amounts and once more, full provision for such dues has not been made in these financial statements.

The company is also facing claims for the payment of approximately €55,000 by way of damages following a judgment delivered by the Maltese Courts declaring that the company had transgressed certain performing rights when transmitting musical works without having the necessary licence.

21. STATUTORY INFORMATION

The parent company of One Productions Limited is MLP Holdings Limited, a company registered in Malta with its registered address at Centru Nazzjonali Laburista, Triq Mile End, Hamrun. Malta Labour Party is the ultimate controlling entity of One Productions Limited by virtue of its 100% shareholding in the parent company.