

1093328

**GLOBAL ENTERTAINMENT MANAGEMENT (U.K.) LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 March 1997**

**H.A. Burton  
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# GLOBAL ENTERTAINMENT MANAGEMENT (U.K.) LIMITED

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**GLOBAL ENTERTAINMENT MANAGEMENT (U.K.) LIMITED**

**COMPANY INFORMATION**

**REGISTERED NUMBER** 1093328 (England and Wales)

**REGISTERED AND TRADING OFFICE** 22 Wadsworth Road  
Perivale  
Middlesex  
UB6 7JD

**DIRECTOR** Pransukh Kotak

**SECRETARY** Pradeep Kotak

**BANKERS** Lloyds Bank plc  
10 Hanover Square  
London  
W1R 0BT

# GLOBAL ENTERTAINMENT MANAGEMENT (U.K.) LIMITED

## REPORT OF THE DIRECTOR

The director presents his report together with the audited financial statements for the year ended 31 March 1997.

### 1. PRINCIPAL ACTIVITY

The principal activity of the company remains the design, development and sale of television entertainment and communication systems.

### 2. DIRECTOR AND HIS INTERESTS

The director of the company during the year and his interest in the ordinary share capital of the company at the balance sheet date are set out below:

	Ordinary shares of £1 each	
	31 March 1997	1 April 1996
P. Kotak	Nil	Nil

In accordance with the Articles of Association, Mr Kotak retires and, being eligible, offers himself for re-election.

### 3. DIRECTOR'S RESPONSIBILITIES

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

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

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

### 4. SMALL COMPANY EXEMPTIONS

The director has taken advantage of the exemptions conferred by Part II of Schedule 8 to the Companies Act 1985.

By order of the Board of Directors



P. Kotak  
Secretary

Approved by the Board: 20 March 1998

# GLOBAL ENTERTAINMENT MANAGEMENT (U.K.) LIMITED

## PROFIT AND LOSS ACCOUNT For the year ended 31 March 1997

	Note	1997 £	1996 £
<b>TURNOVER</b>	2	117,965	489,901
Cost of sales		<u>(94,448)</u>	<u>(392,232)</u>
<b>GROSS PROFIT</b>		23,517	97,669
Administrative expenses		<u>(82,037)</u>	<u>(161,689)</u>
<b>OPERATING LOSS</b>	3	(58,520)	<u>(64,020)</u>
Rent receivable	14,000		-
Management fee	48,400		42,150
Interest receivable	1,017		7,063
Interest payable	<u>(40)</u>		<u>(374)</u>
		<u>63,377</u>	<u>48,839</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		4,857	(15,181)
Taxation		<u>-</u>	<u>-</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES for the financial year set aside to future reserves</b>		<u>4,857</u>	<u>(15,181)</u>

## STATEMENT OF RECOGNISED GAINS AND LOSSES

The company made no recognised gains or losses in 1997 or 1996 other than the results for the year.

## STATEMENT OF REVENUE DEFICIT

Balance, brought forward	(31,141)	(15,960)
Retained profit/(loss) for the year	<u>4,857</u>	<u>(15,181)</u>
Balance, carried forward to set aside against future reserves	<u>(26,284)</u>	<u>(31,141)</u>

# GLOBAL ENTERTAINMENT MANAGEMENT (U.K.) LIMITED

## BALANCE SHEET As at 31 March 1997

	Note	£	1997 £	1996 £
<b>FIXED ASSETS</b>				
Tangible assets	4		8,696	<u>11,597</u>
<b>CURRENT ASSETS</b>				
Stock and work in progress		14,283		683
Debtors	5	33,512		87,452
Cash at bank and in hand		<u>10,357</u>		<u>30,992</u>
		58,152		119,127
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	6	<u>(85,267)</u>		<u>(154,000)</u>
<b>NET CURRENT LIABILITIES</b>			<u>(27,115)</u>	<u>(34,873)</u>
			<u>(18,419)</u>	<u>(23,276)</u>
<b>Financed by:</b>				
<b>CAPITAL AND RESERVES</b>				
Called up share capital	7		100	100
Profit and loss account			(26,284)	(31,141)
Provision for redundancy			<u>7,765</u>	<u>7,765</u>
			<u>(18,419)</u>	<u>(23,276)</u>

The director has:

- (a) taken advantage of the Companies Act 1985 in not having these accounts audited under Section 249A(1);
- (b) confirmed that no notice has been deposited under Section 249B(2) of the Companies Act 1985;
- (c) acknowledged his responsibility for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985;
- (d) acknowledged his responsibility for preparing accounts which give a true and fair view of the company and of its result for the year then ended in accordance with the requirements of Section 226 of the Companies Act 1985 and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to this company;
- (e) (i) taken advantage of the exemptions conferred by Part III of Schedule 8 of the Companies Act 1985; and  
(ii) in his opinion the company is entitled to those exemptions on the basis that it qualifies as a small company.

The director has taken advantage of the exemptions conferred by Part I of Schedule 8 to the Companies Act 1985, on the grounds that the company is entitled to those exemptions as a small company. In addition, the accounts have been prepared in accordance with the special provisions relating to Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities.

Signed on behalf of the Board of Directors:

  
\_\_\_\_\_  
P. Korak, Director

Approved by the Board: 20 March 1998

The notes on pages 6 to 8 form part of these financial statements.

# GLOBAL ENTERTAINMENT MANAGEMENT (U.K.) LIMITED

## CASH FLOW STATEMENT For the year ended 31 March 1997

	1997	1996
£	£	£
<b>Cash generated from operations</b>		
<b>Operating loss</b>	(58,520)	(64,020)
Reconciliation to cash generated from operations:		
Depreciation	2,901	6,536
Increase in work in progress	(13,915)	-
Decrease/(increase) in stock	315	(317)
Decrease in trade debtors	53,555	12,399
Decrease in other debtors	337	5,884
Decrease in trade creditors	(3,124)	(83,318)
Decrease in other creditors	(38,688)	(97,058)
	<u>(57,139)</u>	<u>(219,894)</u>
<b>Cash from other sources</b>		
Rent	14,000	-
Management fee	48,400	42,150
Interest received	<u>1,065</u>	<u>11,378</u>
	63,465	<u>53,528</u>
<b>Application of cash</b>		
Purchase of fixed assets	-	(3,052)
Interest paid	<u>(37)</u>	<u>(374)</u>
	<u>(37)</u>	<u>(3,426)</u>
<b>Net increase/(decrease) in cash</b>	6,289	(169,792)
Cash at bank less overdrafts at beginning of year	<u>2,383</u>	<u>172,175</u>
<b>Cash at bank less overdrafts at end of year</b>	<u><u>8,672</u></u>	<u><u>2,383</u></u>
Consisting of:		
Cash at bank	10,357	30,992
Bank overdraft	<u>(1,685)</u>	<u>(28,609)</u>
	<u><u>8,672</u></u>	<u><u>2,383</u></u>

# GLOBAL ENTERTAINMENT MANAGEMENT (U.K.) LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 March 1997

### 1. ACCOUNTING POLICIES

There have been no changes in the accounting policies during the year. The following are the more important accounting policies adopted by the company:

#### a) Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

#### b) Turnover

Turnover represents sales to outside customers at invoiced amounts exclusive of value added tax.

#### c) Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets over their expected useful lives. It is calculated on the original cost of the assets at the following rates:

	Rate	Method
Motor vehicles	25%	Straight line
Video equipment	33 $\frac{1}{3}$ %	Straight line
Demonstration equipment	33 $\frac{1}{3}$ %	Straight line
Office equipment	33 $\frac{1}{3}$ %	Straight line
Office equipment	25%	Reducing balance
Mobile telephones	25%	Straight line

#### d) Stocks

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to disposal.

Cost is calculated as follows:

Tape modules – cost of purchase on first in, first out basis

A provision has been made against the stock of tape modules calculated to write off the cost in equal instalments over six months.

### 2. TURNOVER

The turnover arose within the U.K. from the one continuing principal activity of the company.

### 3. OPERATING LOSS

The operating loss is stated after charging:

	1996 £	1995 £
Aggregate depreciation charged in the year	2,901	6,536
Auditors' remuneration	-	1,500
Director's remuneration	-	-



# GLOBAL ENTERTAINMENT MANAGEMENT (U.K.) LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 1997

### 4. TANGIBLE ASSETS

	Motor vehicle £	Office equipment £	Total £
<b>Cost:</b>			
At 1 April 1996 and 31 March 1997	<u>18,848</u>	<u>8,111</u>	<u>26,959</u>
<b>Depreciation:</b>			
At 1 April 1996	9,362	6,000	15,362
Charge for the year	<u>2,325</u>	<u>576</u>	<u>2,901</u>
At 31 March 1997	<u>11,687</u>	<u>6,576</u>	<u>18,263</u>
<b>Net book value:</b>			
At 31 March 1997	<u>7,161</u>	<u>1,535</u>	<u>8,696</u>
At 31 March 1996	<u>9,486</u>	<u>2,111</u>	<u>11,597</u>

The video equipment is leased out under operating leases.

### 5. DEBTORS

	1997 £	1996 £
Trade debtors	20,393	73,948
Other debtors	12,192	12,173
Prepayments and accrued income	<u>927</u>	<u>1,331</u>
	<u>33,512</u>	<u>87,452</u>

All amounts shown under debtors fall due for payment within one year.

### 6. CREDITORS FALLING DUE WITHIN ONE YEAR

	1997 £	1996 £
Bank overdraft	1,685	28,609
Trade creditors	5,715	8,839
Other taxes and social security	24,467	27,348
Other creditors	52,269	86,729
Accruals	<u>1,131</u>	<u>2,475</u>
	<u>85,267</u>	<u>154,000</u>

**GLOBAL ENTERTAINMENT MANAGEMENT (U.K.) LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 1997**

**7. SHARE CAPITAL**

	1997	1996
	£	£
Authorised, allotted, called up and fully paid:		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>

**8. RELATED PARTY TRANSACTIONS**

A management and administration fee of £48,400 (1996 – £42,150) was received from GEM (UK) Satellite Limited during the year.

At the balance sheet date £7,569 (1996 – £5,279) was owed to GEM (UK) Satellite Limited, included in other creditors.

Both companies are controlled by the single director P. Kotak who also owns 50% of the shares of GEM (UK) Satellite Limited.