

**Motion Gallery Limited**

**Directors' report and financial statements  
for the year ended 31 March 2004**

Registered number 1916861



## **Directors' report and financial statements**

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## **Directors' report.**

The directors present their annual report and the audited financial statements for the year ended 31 March 2004.

### **Principal activities and business review**

The company did not trade during the year to 31 March 2004 or during the prior year.

### **Results and dividends**

The directors do not recommend the payment of a dividend (2003: £nil). The profit for the year retained in the company is £nil (2003: £nil).

### **Credit payment policy**

It is the company policy to adhere to the payment terms agreed with the supplier. Payments are contingent on the supplier providing goods and services to the required standard.

### **Directors and directors' interests**

The directors who held office during the year were as follows:

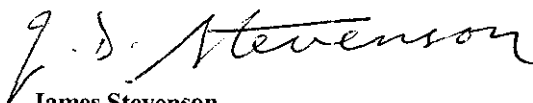
MC Young  
PS Phippen

None of the directors who held office at the end of the financial year had any beneficial interests in the shares of group companies.

### **Auditors**

In accordance with Section 384 of the Companies Act 1985, a resolution for the reappointment of KPMG LLP is to be proposed at the forthcoming annual general meeting.

By order of the board

  
**James Stevenson**  
Secretary

22 NOVEMBER 2004

## **Statement of directors' responsibilities**

Company law requires the directors 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 directors are 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG LLP  
PO Box 695  
8 Salisbury Square  
London, EC4Y 8BB

## **Report of the independent auditors to the members of Motion Gallery Limited**

We have audited the financial statements on pages 4 to 6.

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 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**

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

### **Basis of audit opinion**

We conducted our audit in accordance with Auditing Standards 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.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**KPMG LLP**  
Chartered Accountants  
Registered Auditor

29 November 2004


## Balance sheet

at 31 March 2004

	<i>Notes</i>	2004 £	2003 £
<b>Creditors:</b> amounts falling due within one year	5	<u>(486,552)</u>	<u>(486,552)</u>
<b>Net liabilities</b>		<u>(486,552)</u>	<u>(486,552)</u>
<b>Capital and reserves</b>			
Called up share capital	6	2	2
Profit and loss account		<u>(486,554)</u>	<u>(486,554)</u>
<b>Deficit on equity shareholders' funds</b>		<u>(486,552)</u>	<u>(486,552)</u>

There have been no movements in the profit and loss account for the financial year or the preceding financial year and there have been no other recognised gains or losses (2003: £nil).

These financial statements were approved by the board of directors on 22 NOVEMBER 2004 and were signed on its behalf by:



Director

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The principal accounting policies which have been applied consistently are set out below:

#### *Basis of preparation*

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

The financial statements have been prepared on a going concern basis as the company has received confirmation from its parent company that it will continue to provide financial and other support to the extent necessary to enable the company to continue to pay its liabilities as and when they become due for a period not less than one year from the date of approval of these financial statements.

The company is exempt from the requirement of Financial Reporting Standard No 1 (Revised) to prepare a cash flow statement on the grounds of its size.

### 2 Profit and loss account

During the financial year and the preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently during these periods the company made neither a profit or a loss.

### 3 Auditors' remuneration

The auditors' remuneration in the current year and the preceding year was borne by a parent undertaking.

### 4 Staff costs and directors' remuneration

The company had no employees during the year or the preceding year. No director of the company received any remuneration for services to the company during the year (2003: £nil).

### 5 Creditors: amounts falling due within one year

	2004 £	2003 £
Amounts owed to parent undertakings	<u>486,552</u>	<u>486,552</u>

The amount falling due within one year relates to a non-interest bearing loan from Woodlands Publishing Limited which is repayable on demand.

**Notes** *(continued)*

**6 Called up share capital**

	<b>2004</b>	2003
	<b>£</b>	<b>£</b>
<i>Authorised</i>		
100 ordinary shares of £1 each	<b>100</b>	100
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
2 ordinary shares of £1 each	<b>2</b>	2
	<hr/>	<hr/>

**7 Ultimate parent company and controlling party and parent undertaking of the smallest and largest group of which the company is a member**

The directors consider the ultimate holding company and controlling party to be the British Broadcasting Corporation which is incorporated in the United Kingdom by Royal Charter. The financial statements of the ultimate holding company, which heads the largest group in which the results of the company are consolidated, are available to the public and may be obtained from BBC Information Services, White City, 201 Wood Lane, London W12 7TS.

The company is a subsidiary undertaking of Woodlands Publishing Limited, registered in England and Wales, which heads the smallest group in which the results of the company are consolidated. The consolidated financial statements are available to the public and may be obtained from BBC Information Services, White City, 201 Wood Lane, London W12 7TS.