

PINKO LIMITED

Financial Statements

at

31st December 1996

Bowker Orford & Co.
Chartered Accountants,
15-19 Cavendish Place,
London. W1M 0DD.



PINKO LIMITED

Report and Financial Statements for the
Year ended 31st December 1996

Directors : K. Whately
Mrs M.S. Whately

Secretary : Mrs M.S. Whately

Registered Office : 15-19 Cavendish Place,
London W1M 0DD.

Company Number : 1956400

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Report of the Directors

The Directors submit their report and the financial statements for the Year ended 31st December 1996.

Results and Dividends

The trading profit for the year after taxation, amounted to £230,928 (1995 £216,299). An Interim dividend of £400,000 was paid during the year. The directors do not recommend the payment of a final dividend.

Review of the Business

The Company's principal activity during the year was the provision of services to the Entertainment Industry. The Directors consider that the future prospects of the Company are satisfactory.

Directors and their Interests

The Directors who served during the year and their interests in the Share Capital of the Company were as follows:-

	31st December 1996 Ordinary Shares	1st January 1996 Ordinary Shares
K. Whately	1	1
Mrs M.S. Whately	1	1

Close Company

The Company is a close company within the provisions of the Income and Corporation Taxes Act, 1988.

Cont.....

Report of the Directors(continued)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 of that Company for that period. In preparing these financial statements, the directors are required to:-

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

In addition 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 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

The Auditors Messrs Bowker Orford & Co., Chartered Accountants, have expressed their willingness to continue in office, and a resolution that they be reappointed at a fee to be fixed by the directors will be proposed at the Annual General Meeting under Section 385 of the Companies Act 1985.

By Order of the Board

...*M.S. Whately*...
Mrs M.S. Whately
Secretary

15-19 Cavendish Place,
London W1M 0DD.

Date 20/6/1997

Auditors Report to the Members of

PINKO LIMITED

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the Company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

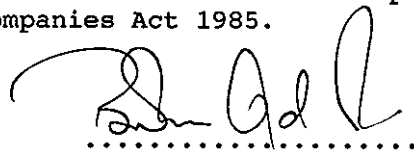
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes an 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 at 31st December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



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Bowker Orford & Co.
Registered Auditors
Chartered Accountants

15-19 Cavendish Place,
London W1M 0DD.

Date 23 June 1997

Profit and Loss Account
for the Year ended 31st December 1996

				1995
	Note	£	£	£
TURNOVER	2		450,994	470,118
Cost of Sales			(51,835)	(58,287)
GROSS PROFIT			399,159	411,831
Administrative Expenses			(100,728)	(150,127)
OPERATING PROFIT	3		298,431	261,704
Interest Receivable	6	10,293		17,318
Income from Fixed Asset investment	7	2,102		3,839
			12,395	21,157
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			310,826	282,861
Tax on Profit on Ordinary Activities	8		(79,898)	(66,562)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			230,928	216,299
Dividends	9		(400,000)	(350,000)
RETAINED LOSS			(169,072)	(133,701)
RETAINED PROFIT BROUGHT FORWARD			246,989	380,691
RETAINED PROFIT CARRIED FORWARD			£ 77,917	£ 246,990

All of the Company's operations are classified as continuing.

The Company had no recognised gains or losses other than the profit for the year.

The accompanying notes are an integral part of these financial statements

Balance Sheet as at 31st December 1996

				1995	
	Note	£	£	£	£
FIXED ASSETS					
Tangible Assets	10		34,762		46,628
Investments	11		27,058		132,212
			<u>61,820</u>		<u>178,840</u>
CURRENT ASSETS					
Debtors	12	71,406		37,816	
Cash at Bank		496,859		410,843	
		<u>568,265</u>		<u>448,659</u>	
CREDITORS: Amounts falling due within one year	13	(552,166)		(380,507)	
NET CURRENT ASSETS			<u>16,099</u>		<u>68,152</u>
			<u>£ 77,919</u>		<u>£ 246,992</u>
CAPITAL AND RESERVES					
Share Capital	14		2		2
Profit and Loss Account			77,917		246,990
			<u>£ 77,919</u>		<u>£ 246,992</u>

Signed on behalf of the Board:-

.....) *K. Whately*
K. Whately)
.....) *Mrs M.S. Whately*
Mrs M.S. Whately) Directors

Date 20 June 1997

The accompanying notes are an integral part of these
financial statements

Notes to the Financial Statements

as at 31st December 1996

1. Accounting Policies

Accounting Convention

The financial statements have been prepared using the historical cost convention and comply with all applicable United Kingdom accounting standards. Where changes in presentation are made, comparative figures are adjusted accordingly.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value of each asset, evenly over its expected useful life, as follows:-

Motor Vehicles	-	Four years
Fixtures and Fittings	-	Five years

Cash Flow Statement

The company qualifies as a small company within the meaning of the Companies Act 1985 and is therefore exempt from the preparation of a cash flow statement, under the Financial Reporting Standard No. 1.

2. Analysis of Turnover

Turnover represents the sale of goods and services.

3. Operating Profit

This is stated after charging:-

	£	1995 £
Depreciation	14,120	5,244
Profit on disposal of investments	(26,921)	-
Auditors' remuneration	1,700	1,700
Profit on disposal of fixed assets	-	(1,477)
	<u> </u>	<u> </u>

Notes to the Financial Statements

as at 31st December 1996

4. Directors' Remuneration

Directors' remuneration is made up of:-

		1995
	£	£
Pension Contributions	16,761	49,400
Other Emoluments	73,262	81,930
	<u>£ 90,023</u>	<u>£ 131,330</u>

The emoluments of the chairman, excluding pension contributions, were £45,542 (1995 £41,901). Other directors' emoluments, excluding pension contributions, fell within the following ranges:-

	No.	No.
£20,001 - £25,000	-	1
£25,001 - £30,000	1	-
	<u>1</u>	<u>-</u>

5. Staff Costs

Employee costs during the Year ended 31st December 1996 (including Directors) amounted to:-

		1995
	£	£
Wages and Salaries	60,000	60,000
Social Security Costs	7,523	7,473
Pension Contributions	16,761	49,400
	<u>£ 84,284</u>	<u>£ 116,873</u>

The average weekly number of employees during the year was 2 (1995-2).

6. Interest Receivable

		1995
	£	£
Bank interest received	10,293	17,318
	<u>£ 10,293</u>	<u>£ 17,318</u>

Notes to the Financial Statements

as at 31st December 1996

7. Income From Investments

		1995
	£	£
Listed on London Stock Exchange	2,102	3,839
	<u>£ 2,102</u>	<u>£ 3,839</u>

8. Tax on Profit on Ordinary Activities

Based on the profit for the year:-

		1995
	£	£
Corporation Tax at 25%	77,854	68,260
(Over)/Underprovision	2,122	(2,206)
Tax on franked Investment Income	(78)	508
	<u>£ 79,898</u>	<u>£ 66,562</u>

9. Dividends

		1995
	£	£
Paid - Interim 24.11.96	-	100,000
- Interim 31.12.96	400,000	250,000
	<u>£ 400,000</u>	<u>£ 350,000</u>

Notes to the Financial Statements

as at 31st December 1996

10. Tangible Assets

	Equipment	Fixtures and Fittings	Motor Vehicles	Total
	£	£	£	£
<u>Cost</u>				
At 1st January 1996	-	8,592	55,880	64,472
Additions	2,254	-	-	2,254
Disposals	-	-	-	-
At 31st December 1996	2,254	8,592	55,880	66,726
<u>Depreciation</u>				
At 1st January 1996	-	8,192	9,652	17,844
Charge for year	751	399	12,970	14,120
Disposals	-	-	-	-
At 31st December 1996	751	8,591	22,622	31,964
<u>NET BOOK VALUE</u>				
At 31st December 1996	£ 1,503	£ 1	£ 33,258	£ 34,762
At 31st December 1995	£ -	£ 400	£ 46,228	£ 46,628

Notes to the Financial Statements
as at 31st December 1996

11. Investments

		1995
	£	£
Cost at 01.01.96	27,058	132,212
Cost at 31.12.95	£ 27,058	£ 132,212
Market Value at 31.12.96	£ -	£ 175,563

The above investments are listed on the London Stock Exchange.

12. Debtors

		1995
	£	£
Other Debtors	-	4,924
ACT Recoverable	71,406	32,892
	£ 71,406	£ 37,816

13. Creditors: Amounts falling due within one year

		1995
	£	£
Corporation Tax	118,476	100,827
Other Taxes and Social Security Costs	30,313	8,759
Other creditors	4,355	22,375
Directors' Loan Accounts	399,022	248,546
	£ 552,166	£ 380,507

Notes to the Financial Statements

as at 31st December 1996

14. Share Capital

		<u>1995</u>
	£	£
Authorised:-		
Ordinary Shares of £1 each	£ 1,000	£ 1,000
Issued and fully paid:-		
Ordinary Shares of £1 each	£ 2	£ 2

15. Reconciliation of movement of Shareholders' Funds

	<u>1996</u>	<u>1995</u>
	£	£
Profit for the year	228,674	216,299
Dividends paid	(400,000)	(350,000)
Shareholders' funds at 01.01.1996	246,990	380,691
Shareholders' funds at 31.12.1996	<u>£ 75,664</u>	<u>£ 246,990</u>