

*Revised Accounts*

OBERON BOOKS LIMITED

STATEMENT OF ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2003

2080 001



OBERON BOOKS LIMITED  
FINANCIAL ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2003

DIRECTORS: CD Glanville  
JDR Hogan

SECRETARY: CD Glanville

COMPANY REGISTRATION NO: 02028142

REGISTERED OFFICE: 521 Caledonian Road  
Ground Floor  
Islington, London N7 9RH

BANKERS: HSBC  
New Street Branch  
130 New Street  
PO Box 68  
Birmingham B2 4JU

OBERON BOOKS LIMITED  
FINANCIAL ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2003

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**The following page does not form part of the Statutory Accounts**

5. Trading and Profit and Loss Account

OBERON BOOKS LIMITED  
REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2003

The Directors present their annual report of the affairs of the Company together with the Accounts for the year ended 31 December 2003.

RESULTS AND DIVIDENDS

The Company made a loss for the year after taxation of £(92,370) [2002 (£76,115)]. The Directors recommend that this be added to the retained losses at the beginning of the year and that the balance of £(785,214) be carried forward.

REVIEW OF THE BUSINESS

The Company's principal activity during the year continued to be that of publishers.

DIRECTORS

The Directors of the Company during the period and their beneficial interests in the issued capital of the Company at the beginning and end of the year were as follows:

|              | Ordinary Shares of £1 each |      |
|--------------|----------------------------|------|
|              | 2003                       | 2002 |
| CD Glanville | 2                          | 2    |
| JDR Hogan    | 2                          | 2    |

FIXED ASSETS

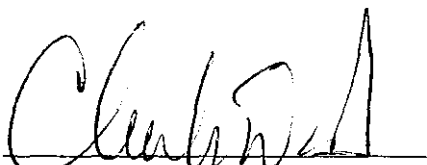
The changes in the fixed assets during the year are summarized in note 6 to the Accounts.

STATUS

The Company is a close company under the provisions of the Income and Corporations Tax Act 1988.

BY ORDER OF THE BOARD

Date: 30 October 2004



Charles Glanville, Secretary

OBERON BOOKS LIMITED  
PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2003

|                                      |       | 2002           | 2003                              |
|--------------------------------------|-------|----------------|-----------------------------------|
|                                      | Notes | £              | £                                 |
| Turnover                             | 2     | 261,394        | 266,864                           |
| Cost of Sales                        |       | <u>194,727</u> | <u><del>194,727</del> 196,805</u> |
| GROSS PROFIT (LOSS)                  |       | 66,667         | 70,059                            |
| Administration Costs                 |       | <u>144,123</u> | <u>166,040</u>                    |
| OPERATING PROFIT (LOSS)              | 3     | (77,456)       | ( 95,981)                         |
| Other Income                         |       | 1,341          | 3611                              |
| Interest payable                     | 4     | <u>---</u>     | <u>---</u>                        |
| PROFIT/(LOSS) ON ORDINARY ACTIVITIES |       | (76,115)       | ( 92,370)                         |
| Tax on Ordinary Activities           | 5     | <u>---</u>     | <u>---</u>                        |
| PROFIT (LOSS) FOR THE YEAR           |       | (76,115)       | ( 92,370)                         |

STATEMENT OF RETAINED LOSSES

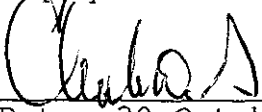
|                                 |                   |                   |
|---------------------------------|-------------------|-------------------|
| Losses brought forward          | (616,729)         | (692,844)         |
| Profit (Losses) for the Year    | ( 76,115)         | ( 92,370)         |
|                                 | <u>          </u> | <u>          </u> |
| RETAINED LOSSES CARRIED FORWARD | (692,844)         | (785,214)         |

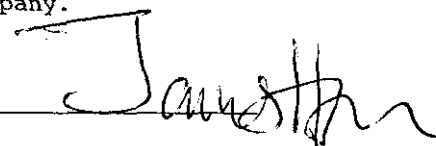
All recognized gains and losses are reflected in the profit and loss account. There were no movements in Shareholders' Funds other than the loss incurred for the year as shown above.

OBERON BOOKS LIMITED  
BALANCE SHEET AS AT 31 DECEMBER 2003

|   | Notes | 2002<br>£       | 2003<br>£       |
|---|-------|-----------------|-----------------|
| <b>FIXED ASSETS</b>                             |       |                 |                 |
| Tangible Assets                                 | 6     | 8,442           | 4,432           |
| GOODWILL  | 7     | 2,203           | 1,762           |
| <b>CURRENT ASSETS</b>                           |       |                 |                 |
| Stock and work in progress                      | 8     | 174,470         | 186,804         |
| Debtors   | 9     | 143,737         | 188,746         |
| Cash at bank and in hand                        |       | 9,528           | 11,119          |
|   |       | <u>327,735</u>  | <u>386,669</u>  |
| <b>CREDITORS</b>                                |       |                 |                 |
| Amounts falling due within 10 one year          | 10    | 68,164          | 61,357          |
| <b>NET CURRENT ASSETS</b>                       |       | 259,571         | 325,312         |
| <b>TOTAL ASSETS</b>                             |       | <u>£270,216</u> | <u>£331,506</u> |
| <b>FINANCED BY: Creditors</b>                   |       |                 |                 |
| Amounts falling due after 10 more than one year |       | 963,056         | 1,116,716       |
| <b>CAPITAL AND RESERVES</b>                     |       |                 |                 |
| Called up Share Capital                         | 12    | 4               | 4               |
| Profit and Loss Account                         |       | (692,844)       | (785,214)       |
|   |       | <u>£270,216</u> | <u>£331,506</u> |

For the year ended 31 December 2003 the Company was entitled to the exemption under subsection (1) of section 249A of the Companies Act 1985. No notice from members requiring an audit has been deposited under section 249B(2) of the Companies Act 1985. The directors acknowledge their responsibility for a) ensuring that the Company keeps accounting records which comply with section 221, and b) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year, and of its profits and loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company. In preparing these accounts, the directors have relied upon the exemptions of individual accounts provided by section 246, and they have done so on the grounds that the Company is entitled to these exemptions as a small company.

  
Date: 30 October 2004  
CD Glanville, Director

  
J Hogan, Director

OBERON BOOKS LIMITED  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2003

**1. ACCOUNTING POLICIES**

ACCOUNTING CONVENTION

The Accounts have been prepared under the Historical Cost Convention.

DEPRECIATION

Depreciation has been charged on the written down value of the assets and charged at rates calculated to write off the costs, less estimated residual value over the assets' useful life.

|                  |                      |
|------------------|----------------------|
| Office Equipment | 15% Reducing Balance |
| Computers/Cars   | 25% Straight Line    |

STOCK

Stock and Work in Progress is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving items.

DEFERRED TAXATION

Deferred taxation is provided on the liability method on all short term timing differences. Provision is also made for long term timing differences, except for those which are not expected to reverse in the future, less relief in respect of losses carried forward

OBERON BOOKS LIMITED  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2003

**2. TURNOVER**

Turnover represents the invoiced amount of goods sold and services provided, net of value added tax, and bank interest earned on deposits of Company funds.

The turnover and pre-tax loss is attributable to the Company's principal activity of publishers and is as follows:

| TURNOVER |         | PRE-TAX PROFIT (LOSS) |          |
|----------|---------|-----------------------|----------|
| 2002     | 2003    | 2002                  | 2003     |
| 261,394  | 266,864 | (76,115)              | (92,370) |

**3. OPERATING PROFIT**

a. The Operating Profit is stated after charging:

|                        | 2002  | 2003  |
|------------------------|-------|-------|
|                        | £     | £     |
| Directors Remuneration | 4,000 | 4,000 |
| Auditors Remuneration  | --    | --    |
| Depreciation           | 3,715 | 8,430 |
| Goodwill depreciation  | 441   | 441   |

b. Director's Remuneration

The directors received total remuneration during the year of £4000 (2002 £4000).

**4. INTEREST PAYABLE**

No bank interest was paid in 2003 (2002 £Nil).

**5. TAX ON PROFIT ON ORDINARY ACTIVITIES**

There is no liability to UK Corporation Tax (2002 £Nil).



OBERON BOOKS LIMITED  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2003

**6. FIXED ASSETS**

Tangible Assets

|                     | Office<br>Equipment<br>£ | Computers<br>£ | Cars<br>£  | Total<br>£    |
|---------------------|--------------------------|----------------|------------|---------------|
| Cost:               |                          |                |            |               |
| At 1 January 2003   | 2,201                    | 28,965         |            | 31,166        |
| Additions in year   | --                       | 4,750          | ---        | 4,750         |
| At 31 December 2003 | <u>2,201</u>             | <u>33,715</u>  | <u>---</u> | <u>35,916</u> |
| Depreciation:       |                          |                |            |               |
| At 1 January 2003   | 1,538                    | 21,186         |            | 22,724        |
| Charge for year     | 330                      | 8,430          |            | 8,760         |
| At 31 December 2003 | <u>1,538</u>             | <u>29,616</u>  | <u>---</u> | <u>31,484</u> |
| Net Book Value:     |                          |                |            |               |
| At 31 December 2003 | 333                      | 4,099          |            | 4,432         |
| At 31 December 2002 | 663                      | 7,779          |            | 8,442         |

**7. GOODWILL**

Goodwill represents the balance between the purchase price for the theatre list of Absolute (Publishers) purchased effective 1 January 1997 and the value of the stock included in that purchase, depreciated on a straight line basis over 10 years (2002 - £441).

|                     |              |
|---------------------|--------------|
| At 1 January 2003   | 2,203        |
| Charge for year     | 441          |
| At 31 December 2003 | <u>1,762</u> |

OBERON BOOKS LIMITED  
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2003

**8. STOCKS**

|       | 2002    | 2003    |
|-------|---------|---------|
|       | £       | £       |
| Stock | 174,470 | 186,804 |

**9. DEBTORS**

|                         | 2002           | 2003           |
|-------------------------|----------------|----------------|
|                         | £              | £              |
| Trade Debtors           | 29,957         | 46,599         |
| Advances unearned       | 140,273        | 139,826        |
| Other debtors           | 1,995          | 2,321          |
| Current Corporation Tax | --             | --             |
| Prepayments             | --             | --             |
|                         | <u>172,025</u> | <u>188,746</u> |

**10. CREDITORS**

|                                     | 2002          | 2003          |
|-------------------------------------|---------------|---------------|
|                                     | £             | £             |
| Amounts falling due within one year |               |               |
| Trade Creditors                     | 67,334        | 51,354        |
| Other Creditors                     | 1,280         | 10,003        |
| Accrued Royalties                   | 28,488        | ---           |
| Accruals                            | --            | --            |
|                                     | <u>97,102</u> | <u>61,357</u> |

Amounts falling due after more than one year

|                         |          |            |
|-------------------------|----------|------------|
| Directors' Loan Account | £963,056 | £1,116,716 |
|-------------------------|----------|------------|

OBERON BOOKS LIMITED  
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2003

**11. DEFERRED TAXATION**

Deferred taxation is not provided in the accounts.

**12. SHARE CAPITAL**

|   | 2002  | 2003  |
|---|-------|-------|
|   | No.   | No.   |
| Authorized, ordinary shares<br>of £1 each                       | 100   | 100   |
|   | <hr/> | <hr/> |
| Alloted, issued and fully<br>paid ordinary shares of<br>£1 each | 4     | 4     |