

**UFA Video and Media (UK) Limited**

**Director's report and financial  
statements**

**Registered number 2218343**

**31 December 2003**



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## Director's report

The director presents his annual report and the unaudited financial statements of the company for the year to 31 December 2003.

### Principal Activity

The principal activity of the company was the exploitation of video rights.

### Review of business

The company did not trade during the year and consequently made neither a profit nor a loss.

### Future prospects

The company is not expected to resume trading in the foreseeable future.

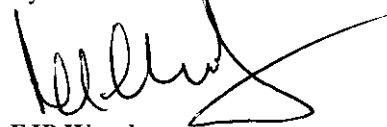
### Directors

The director who held office during the year was:

D Kooker

The director did not hold interest in the shares of the company or any other group undertaking at 31 December 2002 and 31 December 2003.

By Order of the Board



EJP Wareham  
Secretary

5th April 2004

## Statement of 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 and 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## Balance sheet

at 31 December 2003

	Note	31 December 2003 £	31 December 2002 £
<b>Current assets</b>			
Debtors	4	1,442	1,442
<b>Creditors: amounts falling due within one year</b>	5	(44,072)	(44,072)
<b>Net current liabilities</b>		(42,630)	(42,630)
<b>Net liabilities</b>		(42,630)	(42,630)
<b>Equity capital and reserves</b>			
Called up share capital	6	100	100
Profit and loss account		(42,730)	(42,730)
<b>Equity shareholders' deficit</b>	7	(42,630)	(42,630)

For the year to 31 December 2003 the company was entitled to exemption under section 249a(1) of the Companies Act 1985.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249b(2).

The director acknowledges his responsibility for (i) ensuring the company keeps accountings records which comply with section 221; and (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year and of its profit and loss for the financial year in accordance with section 226 and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

These financial statements were approved by the Board on 5th April 2004 and were signed on its behalf by:

  
**D Kooker**  
 Director

The notes on pages 4 and 5 form part of these financial statements.

## Notes

(forming part of the financial statements)

### 1 Accounting policies

#### *Basis of accounting*

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

The company is exempt from the requirement of Financial Reporting Standard No.1 Revised, Cash Flow Statements, being a wholly owned subsidiary of Bertelsmann AG, a company incorporated in Germany and which prepares consolidated financial statements in English containing a consolidated cash flow statement dealing with the cash flows of the group and of the company.

#### *Going concern*

Bertelsmann UK Limited has informed the company that it is their intention to provide such financial support as is required by the company to meet its liabilities as they fall due for payment. In view of this continued support, the directors have prepared these financial statements on a going concern basis.

#### *Royalty advances*

Advances paid to artists in respect of future royalties together with recording costs recoverable from future royalties are carried forward as an asset pending recovery through royalties earned on future video sales. When full recovery is uncertain, these costs are written down to estimated recoverable amounts.

### 2 Director's emoluments

The director did not receive any emoluments in respect of his services to the company during the year (2002: £nil).

### 3 Employees

The average number of employees during the period was nil (2002: £nil), and consequently the company incurred no staff costs (2002: £nil).

### 4 Debtors

	31 December 2003 £	31 December 2002 £
Royalty advances	500	500
Amounts owed by group undertakings	942	942
	<hr/>	<hr/>
	1,442	1,442
	<hr/>	<hr/>

**Notes (continued)**

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

	31 December 2003 £	31 December 2002 £
Amounts due to group undertakings	44,072	44,072

**6 Called up share capital**

	2002 £	2001 £
<i>Authorised, allotted, called up and fully paid:</i>		
100 (2002: £100) ordinary shares of £1 each	100	100

**7 Reconciliation of movements in equity shareholders' deficit**

There was no movement in the equity shareholders' deficit during the year (2002: £nil).

**8 Immediate and ultimate holding company**

The company's immediate holding company is BMG UK & Ireland Limited, a company incorporated in England and Wales.

The company's holding company and ultimate controlling party is Bertelsmann AG, a company incorporated in Germany.

The largest and smallest group for which consolidated financial statements are prepared, and of which the company is a member, is as follows:

Name	Bertelsmann AG
Country of incorporation	Germany
Address from where the copies of the Group financial statements can be obtained	Carl Bertelsmann Strasse 270 33311 Gütersloh Germany

**10 Related party transactions**

The company is exempt under the terms of Financial Reporting Standard No 8 from disclosing related party transactions with entities that are part of the Bertelsmann AG group of companies. There are no other related party transactions.