

GRANT NAYLOR PRODUCTIONS LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 1994

Company number : 02468538

Baker Tilly

Chartered Accountants

2 Bloomsbury Street

London WC1B 3ST



DIRECTORS AND OFFICERS

DIRECTORS

R Grant
D Naylor
CEM Armitage Chairman

SECRETARY

CA Bell

REGISTERED OFFICE

76 Oxford Street
London W1N 0AT

AUDITORS

Baker Tilly
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

DIRECTORS' REPORT

The directors submit their report and the financial statements of Grant Naylor Productions Limited for the year ended 31 December 1994.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of television producers.

REVIEW OF THE BUSINESS

The company had a satisfactory year which substantially improved on the results of the previous year.

FUTURE DEVELOPMENTS

The trading position is expected to remain steady as projects currently in development reach completion.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £9,105.

The directors do not recommend a dividend.

DIRECTORS

The following directors have held office since 1 January 1994:-

R Grant
D Naylor
CEM Armitage (appointed 27 January 1994)

DIRECTORS' INTERESTS IN SHARES

Directors' interests in the shares of the company, including family interests, were as follows:-

	Ordinary shares of £1 each	
	31.12.94	01.01.94
R Grant	25	25
D Naylor	25	25

FIXED ASSETS

The significant changes in fixed assets during the year are explained in notes 7 and 8 to the financial statements.

DIRECTORS' REPORT

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the board

CA Bell

Secretary

25 October 1995

GRANT NAYLOR PRODUCTIONS LIMITED

Statement of directors' responsibilities in respect
of the preparation of financial statements

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.

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 requirements of 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' REPORT TO THE MEMBERS OF GRANT NAYLOR PRODUCTIONS LIMITED

We have audited the financial statements on pages 6 to 12.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of 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 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 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Baker Tilly
BAKER TILLY

Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

30 October 1995

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 1994

	Notes	1994	1993
TURNOVER	1	2,102,205	1,884,693
Cost of sales		(1,524,922)	(1,610,965)
Gross profit		<u>577,283</u>	<u>273,728</u>
Other operating expenses	2	(574,177)	(238,778)
OPERATING PROFIT		<u>3,106</u>	<u>34,950</u>
Investment income	3	<u>9,499</u>	<u>3,349</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	12,605	38,299
Taxation	6	<u>3,500</u>	<u>7,952</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	13	<u>£ 9,105</u>	<u>£ 30,347</u>

The operating profit for the year arises from the company's continuing operations.

No separate statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

The retained profit for the year represents the company's historical cost profit.

BALANCE SHEET
31 December 1994

	Notes	1994	1993
FIXED ASSETS			
Tangible assets	7	7,960	12,653
Investments	8	2	2
		<u>7,962</u>	<u>12,655</u>
CURRENT ASSETS			
Work in progress	9	20,125	6,194
Debtors	10	360,936	55,057
Cash at bank and in hand		255,567	103,455
		<u>636,628</u>	<u>164,706</u>
CREDITORS			
Amounts falling due within one year	11	619,915	161,791
NET CURRENT ASSETS		<u>16,713</u>	<u>2,915</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ 24,675</u>	<u>£ 15,570</u>
CAPITAL AND RESERVES			
Called up share capital	12	100	100
Profit and loss account	13	24,575	15,470
		<u>£ 24,675</u>	<u>£ 15,570</u>

Approved by the board on 25 October 1995

R Grant)

D Naylor)

Directors

Nay Naylor

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost.

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

Electronic equipment over 3 years.

TURNOVER

Turnover represents production monies receivable, in accordance with the terms of production contracts, net of value added tax.

COST OF SALES

This comprises production costs which are matched against production income in the periods in which they arise.

WORK IN PROGRESS

Work in progress is valued at the lower of cost and net realisable value. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion of the production. Provision is made for amounts likely to prove irrecoverable.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1994

	1994	1993
1. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
The company's turnover and profit before taxation were all derived from its principal activity. Sales were made in the following geographical markets:		
United Kingdom	£ 2,102,205	£ 1,884,693
	<u> </u>	<u> </u>
2. OTHER OPERATING EXPENSES		
Distribution costs	15,311	4,273
Administration expenses	558,866	234,505
	<u>£ 574,177</u>	<u>£ 238,778</u>
	<u> </u>	<u> </u>
3. INVESTMENT INCOME		
Bank interest receivable	£ 9,499	£ 3,349
	<u> </u>	<u> </u>
4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
Profit on ordinary activities before taxation is stated after charging: Depreciation and amounts written off tangible fixed assets:		
owned assets	8,169	9,709
Auditors' remuneration	1,600	1,600
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1994

	1994	1993
5. EMPLOYEES		
The average weekly number of persons (including directors) employed by the company during the period was:	No.	No.
Office and management	4	4
	-	-
Staff costs for the above persons:		
Wages and salaries	24,383	29,687
Social security costs	4,197	4,366
	<u>£ 28,580</u>	<u>£ 34,053</u>
DIRECTORS' REMUNERATION		
Directors' fees	<u>£ 281,016</u>	<u>£ 84,800</u>
Included in directors' fees are amounts paid in respect of writers' and producers' fees of £279,016 (1993: £82,800).		
	1994	1993
6. TAXATION		
Based on the profit of the period:		
UK Corporation tax at 25% (1993: 25%)	<u>£ 3,500</u>	<u>£ 7,952</u>
7. TANGIBLE FIXED ASSETS		
		Electronic Equipment
Cost		
1 January 1994		29,128
Additions		3,476
31 December 1994		<u>32,604</u>
Depreciation		
1 January 1994		16,475
Charged in the year		8,169
31 December 1994		<u>24,644</u>
Net Book Value		
31 December 1994		<u>£ 7,960</u>
31 December 1993		<u>£ 12,653</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1994

8.	INVESTMENTS				Shares in subsidiary
	Cost:				
	1 January 1994				2
	Additions				-
	31 December 1994				<u>£ 2</u>
					-
	Subsidiary undertaking	Country of incorporation	Percentage of share capital	Class of shares held	Nature of business
	Eden Management Artists Limited	England	100%	Ordinary	Dormant
				1994	1993
9.	WORK IN PROGRESS				
	Work in progress			£ 20,125	£ 6,194
				<u> </u>	<u> </u>
10.	DEBTORS				
	Due within one year:				
	Trade debtors			323,255	44,042
	Corporation tax			2,889	8,623
	Prepayments and accrued income			34,792	2,392
				<u>£ 360,936</u>	<u>£ 55,057</u>
				<u> </u>	<u> </u>
11.	CREDITORS				
	Trade creditors			9,154	7,763
	Amounts due to associated undertakings			193,441	44,066
	Corporation tax			3,500	7,952
	Social security and other taxes			5,251	4,467
	Other creditors			393,616	77,732
	Accruals and deferred income			14,953	19,811
				<u>£ 619,915</u>	<u>£ 161,791</u>
				<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1994

	1994	1993
12. SHARE CAPITAL		
Authorised, allotted issued and fully paid: 100 ordinary shares of £1 each	£ 100	£ 100
	<u> </u>	<u> </u>
13. PROFIT AND LOSS ACCOUNT		
1 January 1994	15,470	(14,877)
Profit for the year	9,105	30,347
31 December 1994	£ <u>24,575</u>	£ <u>15,470</u>