

Grant Naylor Productions Limited

FINANCIAL STATEMENTS

for the year ended

31 December 1996



Grant Naylor Productions Limited

DIRECTORS AND OFFICERS

DIRECTORS

R Grant
D Naylor
CEM Armitage

Chairman

SECRETARY

CA Bell

COMPANY NUMBER

02468538 (England and Wales)

REGISTERED OFFICE

19 Denmark Street
London WC2H 8NA

AUDITORS

Baker Tilly
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

Grant Naylor Productions Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Grant Naylor Productions Limited for the year ended 31 December 1996.

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.

FUTURE DEVELOPMENTS

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

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £2,422.

The directors do not recommend a dividend.

DIRECTORS

The following directors have held office since 1 January 1996:

R Grant
D Naylor
CEM Armitage

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

	<i>Ordinary shares of £1 each</i>	
	31.12.96	01.01.96
R Grant	25	25
D Naylor	25	25

FIXED ASSETS

The significant changes in fixed assets during the year are detailed in notes 7 and 8 to the financial statements. Mr CEM Armitage is a director of the parent company The Noel Gay Organisation Limited. His interest in the shares of the parent company are shown in the directors' report of that company.

Grant Naylor Productions Limited

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

29 October 1997

Grant Naylor Productions Limited

DIRECTORS' RESPONSIBILITIES IN 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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 1996 and of its result 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

29 October 1997

Grant Naylor Productions Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 1996

	<i>Notes</i>	1996 £	1995 £
TURNOVER	1	2,890,174	2,078,515
Cost of sales		2,549,776	1,459,001
Gross profit		<u>340,398</u>	<u>619,514</u>
Other operating expenses	2	354,744	650,394
OPERATING LOSS		<u>(14,346)</u>	<u>(30,880)</u>
Investment income	3	12,305	31,420
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	<u>(2,041)</u>	<u>540</u>
Taxation	6	(4,463)	7,129
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	13	<u><u>2,422</u></u>	<u><u>(6,589)</u></u>

The operating loss 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.

Grant Naylor Productions Limited

BALANCE SHEET

31 December 1996

	Notes	1996 £	1995 £
FIXED ASSETS			
Tangible assets	7	8,329	9,829
Investments	8	2	2
		<u>8,331</u>	<u>9,831</u>
CURRENT ASSETS			
Work in progress	9	-	25,118
Debtors	10	97,558	220,733
Cash at bank and in hand		124,361	402,101
		<u>221,919</u>	<u>647,952</u>
CREDITORS: Amounts falling due within one year	11	209,742	639,697
NET CURRENT ASSETS		<u>12,177</u>	<u>8,255</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>20,508</u>	<u>18,086</u>
CAPITAL AND RESERVES			
Called up share capital	12	100	100
Profit and loss account	13	20,408	17,986
		<u>20,508</u>	<u>18,086</u>

Approved by the board on 29 OCTOBER 1997

Director



Grant Naylor Productions Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost.

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

Electronic equipment	over 3 years
Office furniture	over 5 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.

Grant Naylor Productions Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 1996

1 TURNOVER AND (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and (loss)/profit before taxation were all derived from its principal activity. Sales were made in the following geographical markets:

	1996 £	1995 £
United Kingdom	2,890,174	2,078,515

2 OTHER OPERATING EXPENSES (NET)

	1996 £	1995 £
Administration expenses	354,744	650,394

3 INVESTMENT INCOME

	1996 £	1995 £
Bank interest receivable	12,305	31,420

4 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss on ordinary activities before taxation is stated after charging/(crediting):
Depreciation and amounts written off tangible fixed assets:
Charge for the year:
 owned assets
Auditors' remuneration

	1996 £	1995 £
	7,237	10,966
	4,100	3,300

5 EMPLOYEES

The average weekly number of persons (including directors) employed by the company during the year was:

	1996 No.	1995 No.
Office and management	4	4

Staff costs for the above persons:

	1996 £	1995 £
Wages and salaries	28,069	27,421
Social security costs	3,149	2,533
	31,218	29,945

Grant Naylor Productions Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 1996

	1996	1995
	£	£
5 EMPLOYEES (<i>continued</i>)		
DIRECTORS' REMUNERATION		
Fees	187,620	378,425

Included in directors' fees are amounts paid in respect of writers' and producers' fees of £184,620 (1995: £375,425).

	1996	1995
	£	£
6 TAXATION		
Based on the profit for the year:		
UK corporation tax at 25% (1995: 25%)	-	5,786
Underprovided in earlier years	(4,463)	1,343
	(4,463)	7,129

7 TANGIBLE FIXED ASSETS	Office furniture £	Electronic equipment £	Total £
Cost			
1 January 1996	850	44,589	45,439
Additions	-	5,737	5,737
31 December 1996	850	50,326	51,176
Depreciation			
1 January 1996	170	35,440	35,610
Charged in the year	170	7,067	7,237
31 December 1996	340	42,507	42,847
Net book value			
31 December 1996	510	7,819	8,329
31 December 1995	680	9,149	9,829

Grant Naylor Productions Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 1996

8 INVESTMENTS

*Shares in
subsidiary
£*

Cost

1 January 1996

2

Additions

-

31 December 1996

2

Subsidiary undertaking	Country of incorporation	Percentage of share capital	Class of shares held	Nature of business
Eden Management (Artists) Ltd	England	100%	Ordinary	Dormant

9 WORK IN PROGRESS

1996 1995
£ £

Work in progress

- 25,118

10 DEBTORS

1996 1995
£ £

Due within one year:

Trade debtors

22,943 800

Other debtors

7,352 2,889

Prepayments and accrued income

67,263 217,044

97,558 220,733

11 CREDITORS: Amounts falling due within one year

1996 1995
£ £

Trade creditors

17,909 10,155

Amounts due to associated undertakings

67,650 196,129

Corporation tax

- 5,786

Other taxation and social security costs

1,506 46,533

Other creditors

108,803 288,281

Accruals and deferred income

13,874 92,813

209,742 639,697

Grant Naylor Productions Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 1996

12	SHARE CAPITAL	1996 £	1995 £
	Authorised, allotted, issued and fully paid: 100 ordinary shares of £1 each	100	100
13	PROFIT AND LOSS ACCOUNT	1996 £	1995 £
	1 January 1996	17,986	24,575
	Profit/(loss) for the financial year	2,422	(6,589)
	31 December 1996	20,408	17,986

14 RELATED PARTIES TRANSACTIONS

Grant Naylor Productions Limited is 50% owned by Noel Gay Television Limited, which is 100% owned by Noel Gay Organisation Limited.

The companies related to Noel Gay Organisation Limited are shown in the account of that company.

Sales and purchases during the year and balances outstanding at the year end are detailed below.

	Balance at year end		Turnover	Purchases/ charges
	1995	1996		
	£	£	£	£
	DR/(CR)			
Noel Gay Organisation Group	(196,129)	(67,650)	-	94,337