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GRANT NAYLOR PRODUCTIONS LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 1995

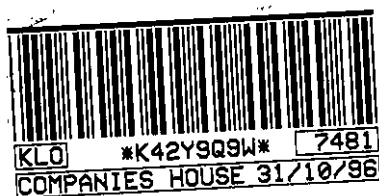
Company number : 02468538

Baker Tilly

Chartered Accountants

2 Bloomsbury Street

London WC1B 3ST



DIRECTORS AND OFFICERS

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DIRECTORS

R Grant  
D Naylor  
CEM Armitage          Chairman

SECRETARY

CA Bell

REGISTERED OFFICE

19 Denmark Street  
London WC2H 8NA

AUDITORS

Baker Tilly  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

DIRECTORS' REPORT

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The directors submit their report and the financial statements of Grant Naylor Productions Limited for the year ended 31 December 1995.

## 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 projects currently in development reach completion.

## RESULTS AND DIVIDENDS

The trading loss for the year after taxation was £6,589.

The directors do not recommend a dividend.

## DIRECTORS

The following directors have held office since 1 January 1995:-

R Grant  
D Naylor  
CEM Armitage

## DIRECTORS' INTERESTS IN SHARES

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

	Ordinary shares of £1 each	
	31.12.95	01.01.95
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. 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.

DIRECTORS' REPORT

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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

30 OCTOBER 1996

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 1995 and of its loss 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 1996*

**PROFIT AND LOSS ACCOUNT**  
**for the year ended 31 December 1995**

	Notes	1995	1994
TURNOVER	1	2,078,515	2,102,205
Cost of sales		(1,459,001)	(1,524,922)
Gross profit		<u>619,514</u>	<u>577,283</u>
Other operating expenses	2	( 650,394)	( 574,177)
OPERATING (LOSS)/PROFIT		<u>( 30,880)</u>	<u>3,106</u>
Investment income	3	31,420	9,499
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	<u>540</u>	<u>12,605</u>
Taxation	6	7,129	3,500
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	13	<u>£( 6,589)</u>	<u>£ 9,105</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 loss for the year represents the company's historical cost loss.

BALANCE SHEET  
31 December 1995

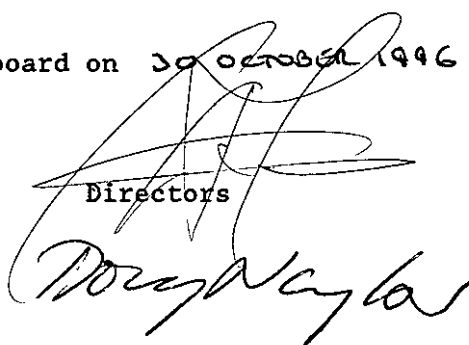
	Notes	1995	1994
<b>FIXED ASSETS</b>			
Tangible assets	7	9,829	7,960
Investments	8	2	2
		<u>9,831</u>	<u>7,962</u>
<b>CURRENT ASSETS</b>			
Work in progress	9	25,118	20,125
Debtors	10	220,733	360,936
Cash at bank and in hand		402,101	255,567
		<u>647,952</u>	<u>636,628</u>
<b>CREDITORS</b>			
Amounts falling due within one year	11	639,697	619,915
<b>NET CURRENT ASSETS</b>		<u>8,255</u>	<u>16,713</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>£ 18,086</u>	<u>£ 24,675</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	100	100
Profit and loss account	13	17,986	24,575
		<u>£ 18,086</u>	<u>£ 24,675</u>

Approved by the board on 30 October 1996

C E M Armitage  
~~R Grant~~

D Naylor

)  
) Directors  
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## ACCOUNTING POLICIES

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### 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 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
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.

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 1995

	1995	1994
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:		
United Kingdom	£ 2,078,515	£ 2,102,205
	<u>                    </u>	<u>                    </u>
2. OTHER OPERATING EXPENSES		
Distribution costs	-	15,311
Administration expenses	650,394	558,866
	<u>£ 650,394</u>	<u>£ 574,177</u>
	<u>                    </u>	<u>                    </u>
3. INVESTMENT INCOME		
Bank interest receivable	£ 31,420	£ 9,499
	<u>                    </u>	<u>                    </u>
4. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
(Loss)/profit on ordinary activities before taxation is stated after charging:		
Depreciation and amounts written off tangible fixed assets:		
owned assets	10,966	8,169
Auditors' remuneration	3,300	1,600
	<u>                    </u>	<u>                    </u>

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 1995

	1995	1994
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	27,421	24,383
Social security costs	2,533	4,197
	<u>£ 29,954</u>	<u>£ 28,580</u>
DIRECTORS' REMUNERATION		
Directors' fees	<u>£ 378,425</u>	<u>£ 281,016</u>

Included in directors' fees are amounts paid in respect of writers' and producers' fees of £375,425 (1994: £279,016).

	1995	1994
6. TAXATION		
Based on the profit of the year:		
UK Corporation tax at 25% (1994: 25%)	5,786	3,500
Tax underprovided in previous year	1,343	-
	<u>£ 7,129</u>	<u>£ 3,500</u>

7. TANGIBLE FIXED ASSETS	Office furniture	Electronic Equipment	Total
Cost			
1 January 1995	-	32,604	32,604
Additions	850	11,985	12,835
31 December 1995	<u>850</u>	<u>44,589</u>	<u>45,439</u>
Depreciation			
1 January 1995	-	24,644	24,644
Charged in the year	170	10,796	10,966
31 December 1995	<u>170</u>	<u>35,440</u>	<u>35,610</u>
Net Book Value			
31 December 1995	<u>680</u>	<u>9,149</u>	<u>£ 9,829</u>
31 December 1994	<u>-</u>	<u>7,960</u>	<u>£ 7,960</u>

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 1995

8.	INVESTMENTS				Shares in subsidiary
	Cost:				
	1 January 1995				2
	Additions				-
	31 December 1995				£ 2
					-
	Subsidiary undertaking	Country of incorporation	Percentage of share capital	Class of shares held	Nature of business
	Eden Management (Artists) Limited	England	100%	Ordinary	Dormant
				1995	1994
9.	WORK IN PROGRESS				
	Work in progress			£ 25,118	£ 20,125
				<u>          </u>	<u>          </u>
10.	DEBTORS				
	Due within one year:				
	Trade debtors			800	323,255
	Other debtors			2,889	2,889
	Prepayments and accrued income			217,044	34,792
				£ 220,733	£ 360,936
				<u>          </u>	<u>          </u>
11.	CREDITORS				
	Trade creditors			10,155	9,154
	Amounts due to associated undertakings			196,129	193,441
	Corporation tax			5,786	3,500
	Other taxation and social security			46,533	5,251
	Other creditors			288,281	393,616
	Accruals and deferred income			92,813	14,953
				£ 639,697	£ 619,915
				<u>          </u>	<u>          </u>

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 1995

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	1995	1994
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 1995	24,575	15,470
(Loss)/profit for the year	( 6,589)	9,105
31 December 1995	£ 17,986	£ 24,575
	<u>          </u>	<u>          </u>