

HARDCASH PRODUCTIONS LIMITED

Company No: 2695415

FINANCIAL STATEMENTS

- for the year ended -

31 AUGUST 1998



HARDCASH PRODUCTIONS LIMITED

DIRECTORS

D. C. M. Henshaw
L. S. Bonner

SECRETARY

D. C. M. Henshaw

BUSINESS ADDRESS

Unit 20.7
The Aberdeen Centre
22-24 Highbury Grove
London N5 2EA

REGISTERED OFFICE

4 Middle Street
London
EC1A 7JA

HARDCASH PRODUCTIONS LIMITED

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HARDCASH PRODUCTIONS LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year ended 31 August 1998.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is that of television film documentary production.

DIVIDEND AND TRANSFER TO RESERVES

The directors have paid an interim dividend amounting to £44,120, and they do not recommend payment of a final dividend.

It is proposed that the loss of £28,949 is transferred to reserves.

FIXED ASSETS

Full disclosure of all matters relating to fixed assets is set out in the notes to the financial statements.

DIRECTORS AND THEIR INTERESTS

The directors at the balance sheet date and their interests in the company at that date and at the beginning of the year (or on appointment if later), were as follows:

	<u>Class of share</u>	<u>Number of shares</u>	
		<u>1998</u>	<u>1997</u>
D. C. M. Henshaw	Ordinary shares	1	1
L. S. Bonner	Ordinary shares	1	1

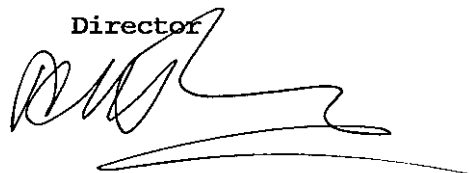
CLOSE COMPANY

The company is a close company as defined by the Income and Corporation Taxes Act 1988.

Date: 1/7/99

On behalf of the Board

Director



D.C.M. HENSHAW

HARDCASH PRODUCTIONS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 1998

	Notes	1998 £	1997 £
TURNOVER		310,667	200,553
Cost of sales		(265,750)	(136,835)
GROSS PROFIT		44,917	63,718
Administrative expenses		(23,892)	(18,346)
OPERATING PROFIT	2	21,025	45,372
Interest receivable	3	-	139
Interest payable	4	(1,593)	(3,072)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		19,432	42,439
Tax on profit on ordinary activities	6	(4,261)	(10,510)
PROFIT FOR THE FINANCIAL YEAR		15,171	31,929
Dividends	7	(44,120)	(28,400)
LOSS FOR THE YEAR	15	(28,949)	3,529

None of the company's activities were acquired or discontinued during the above two financial years.

The company has no recognised gains or losses other than those dealt with in the profit and loss account.

The notes on pages 6 to 11 form part of these financial statements.

HARDCASH PRODUCTIONS LIMITED**BALANCE SHEET AT 31 AUGUST 1998**

	Notes	1998 £	1997 £
FIXED ASSETS			
Tangible assets	8	10,740	14,327
CURRENT ASSETS			
Stocks	9	312,856	37,158
Debtors	10	7,444	11,539
Cash at bank and in hand		34,601	27,401
		<u>354,901</u>	<u>76,098</u>
CREDITORS: Amounts falling due within one year	11	<u>(375,802)</u>	<u>(67,561)</u>
NET CURRENT LIABILITIES		<u>(20,901)</u>	<u>8,537</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(10,161)</u>	<u>22,864</u>
CREDITORS: Amounts falling due after more than one year	12	<u>(7,916)</u>	<u>(11,992)</u>
		<u>(18,077)</u>	<u>10,872</u>
CAPITAL AND RESERVES			
Called up share capital	14	2	2
Profit and loss account	15	(18,079)	10,870
		<u>(18,077)</u>	<u>10,872</u>

The statements required to be made by the company's directors and the signature required by the Companies Act 1985 are given on the following page.

The notes on pages 6 to 11 form part of these financial statements.

HARDCASH PRODUCTIONS LIMITED


BALANCE SHEET AT 31 AUGUST 1998 (Continued)

The directors have taken advantage of the exemption conferred by section 249A(1) not to have these financial statements audited and confirm that no notice has been deposited under section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for ensuring that:-

- i) The company keeps accounting records which comply with section 221 of the Companies Act 1985;
- ii) The financial statements give a true and fair view of the state of affairs of the company as at 31 August 1998 and of its loss for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as is applicable to the company.

The financial statements were approved
by the board on1.7.99..... and
signed on its behalf by

.........., Director

The notes on pages 6 to 11 form part of these financial statements.

HARDCASH PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1998

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

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

1.2 TURNOVER

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

1.3 RECOGNITION OF PROFIT

The profit taken by the company on any project is made up of the production fee and any share of underspend as agreed with the commissioning client. Income received but not yet earned is carried forward as deferred income.

1.4 DEPRECIATION

Depreciation is provided using the following rates and bases to reduce by annual instalments the cost, less estimated residual value, of the tangible assets over their estimated useful lives:-

Fixtures and fittings	20% to 33% Straight line
Motor vehicles	25% Straight line

1.5 STOCKS

Stocks are valued at the lower of cost and net realisable value. Cost is calculated as follows:

Work in progress - cost of film production together with attributable overheads.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

1.6 DEFERRED TAXATION

Deferred taxation is provided where there is a reasonable probability of the amount becoming payable in the foreseeable future.

1.7 LEASING AND HIRE PURCHASE

Assets acquired under finance leases or hire purchase contracts are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Finance charges and interest are taken to the profit and loss account using the sum of the digits method.

HARDCASH PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1998

2. OPERATING PROFIT	1998	1997
	£	£
The operating profit is stated after charging:		
Depreciation	5,205	5,051
Operating lease rentals:		
Plant and machinery	-	1,250
	<hr/>	<hr/>
3. INTEREST RECEIVABLE	1998	1997
	£	£
Bank and other interest receivable	-	139
	<hr/>	<hr/>
	-	139
	<hr/>	<hr/>
4. INTEREST PAYABLE	1998	1997
	£	£
On bank loans and overdrafts and on loans repayable in full within five years	-	10
On overdue tax	210	75
Hire purchase interest	1,383	2,987
	<hr/>	<hr/>
	1,593	3,072
	<hr/>	<hr/>
5. DIRECTORS AND EMPLOYEES	1998	1997
	£	£
Staff costs:		
Wages and salaries	23,353	18,615
Social security costs	2,543	1,890
	<hr/>	<hr/>
	25,896	20,505
	<hr/>	<hr/>
The average number of employees during the year was made up as follows:	Number	Number
Director	1	1
Other staff	1	-
	<hr/>	<hr/>
	2	1
	<hr/>	<hr/>
Directors' emoluments:	£	£
Remuneration for management services	15,000	15,000
	<hr/>	<hr/>

HARDCASH PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1998

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1998 £	1997 £
The taxation charge based on the profit before tax comprises:		
U.K. corporation tax at 21% (1997 - 24/21%)	4,344	10,355
	<hr/> 4,344	<hr/> 10,355
Adjustment in respect of prior years	(83)	155
	<hr/> 4,261	<hr/> 10,510
	<hr/> <hr/>	<hr/> <hr/>

7. DIVIDENDS

	1998 £	1997 £
Equity interests		
Ordinary:-		
Interim dividend paid	44,120	28,400
	<hr/> 44,120	<hr/> 28,400
	<hr/> <hr/>	<hr/> <hr/>

HARDCASH PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1998

8. TANGIBLE ASSETS

	Fixtures & fittings £	Motor vehicles £	Total £
<u>Cost</u>			
At 1 September 1997	2,903	16,903	19,806
Additions	2,936	-	2,936
	<hr/>	<hr/>	<hr/>
At 31 August 1998	5,839	16,903	22,742
	<hr/>	<hr/>	<hr/>
<u>Depreciation</u>			
At 1 September 1997	1,747	4,226	5,973
Charge for year	1,803	4,226	6,029
	<hr/>	<hr/>	<hr/>
At 31 August 1998	3,550	8,452	12,002
	<hr/>	<hr/>	<hr/>
<u>Net book value at 31 August 1998</u>	2,289	8,451	10,740
	<hr/>	<hr/>	<hr/>
<u>Net book value at 31 August 1997</u>	1,156	12,677	13,833
	<hr/>	<hr/>	<hr/>

Included above are assets held under finance leases or hire purchase contracts as follows:

	1998 £	1997 £
Net book values:		
Motor vehicles	8,451	12,677
	<hr/>	<hr/>
Depreciation charge for the year:		
Motor vehicles	4,226	4,226
	<hr/>	<hr/>

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

9. STOCKS

	1998 £	1997 £
Work in progress	312,856	37,158
	<hr/>	<hr/>
	312,856	37,158
	<hr/>	<hr/>

HARDCASH PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1998

10.	DEBTORS	1998 £	1997 £
	Loans to directors	-	9,252
	Other debtors	7,444	2,287
		<u>7,444</u>	<u>11,539</u>
11.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1998 £	1997 £
	Bank loans and overdrafts	17,669	187
	Corporation tax	1,887	10,089
	Other taxes and social security costs	1,539	501
	Net obligations under finance lease and hire purchase contracts	4,076	3,257
	Directors' current accounts	12,256	-
	Accruals and deferred income	338,375	53,527
		<u>375,802</u>	<u>67,561</u>
12.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	1998 £	1997 £
	Net obligations under finance leases and hire purchase contracts	7,916	11,992
		<u>7,916</u>	<u>11,992</u>
13.	NET OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS	1998 £	1997 £
	<u>The company's net obligations under finance leases and hire purchase contracts are repayable as follows:</u>		
	In one year, or less or on demand	4,640	4,640
	Between one and two years	4,640	4,640
	Between two and five years	3,866	8,506
		<u>13,146</u>	<u>17,786</u>
	Finance charges and interest allocated to future accounting periods	(1,154)	(2,537)
		<u>11,992</u>	<u>15,249</u>
	Included in current liabilities	(4,076)	(3,257)
		<u>7,916</u>	<u>11,992</u>

HARDCASH PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1998

14. SHARE CAPITAL	1998	1997
	£	£
<u>Authorised</u>		
Equity interests:		
10,000 Ordinary shares of £1 each	10,000	10,000
	<hr/>	<hr/>
<u>Allotted, called up and fully paid</u>		
Equity interests:		
2 Ordinary shares of £1 each	2	2
	<hr/>	<hr/>
 15. PROFIT AND LOSS ACCOUNT	 1998	 1997
	£	£
Retained profits at 1 September 1997	10,870	7,341
Loss for the year	(28,949)	3,529
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Accumulated losses at 31 August 1998	(18,079)	10,870
	<hr/>	<hr/>
 16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	 1998	 1997
	£	£
Profit for the financial year	15,171	31,929
Dividends	(44,120)	(28,400)
	<hr/>	<hr/>
Shareholders' funds at 1 September 1997	(28,949)	3,529
	10,872	7,343
	<hr/>	<hr/>
Shareholders' funds at 31 August 1998	(18,077)	10,872
	<hr/>	<hr/>
Represented by:-		
Equity interests	(18,077)	10,872
	<hr/>	<hr/>
	(18,077)	10,872
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