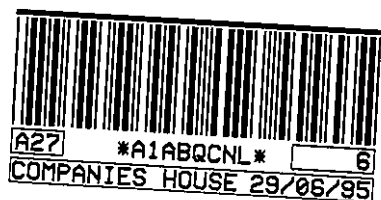


FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1994

FOR

TAKE 3 VIDEO AND FILM PRODUCTION LTD



TAKE 3 VIDEO AND FILM PRODUCTION LTD

COMPANY INFORMATION

DIRECTORS: C.R. Bratt  
R. Smith

SECRETARY: R. Smith

REGISTERED OFFICE: 59 Victoria Road  
Surbiton  
Surrey  
KT6 4NQ

REGISTERED NUMBER: 02732223

AUDITORS: Richard Morgan and Company  
Registered Auditor  
Chartered Accountants  
59 Victoria Road  
Surbiton  
Surrey KT6 4NQ

REPORT OF THE DIRECTORS

The directors present their report with the financial statements of the company for the year ended 31 August 1994.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the production of film and video programmes for corporate communications purposes.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

The directors consider that the results for the year and the company's financial position are satisfactory.

DIVIDENDS AND TRANSFERS TO RESERVES

No dividends will be distributed for the year ended 31 August 1994. The retained profit transferred to reserves will be £12,116.

DIRECTORS

The directors of the company in office during the year and their beneficial interests in the issued share capital were as follows:

| <u>Name</u> | <u>Class of Capital</u> | <u>31. 8.94</u> | <u>1. 9.93</u> |
|-------------|-------------------------|-----------------|----------------|
| C.R. Bratt  | Ordinary Shares £1      | 500             | 1              |
| R. Smith    | Ordinary Shares £1      | 500             | 1              |

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 judgments 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 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

The auditors, Richard Morgan and Company, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

R. Smith - Secretary

Dated: 27th June 1995

TAKE 3 VIDEO AND FILM PRODUCTION LTD

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF  
TAKE 3 VIDEO AND FILM PRODUCTION LTD

We have audited the financial statements on pages four to nine which have been prepared under the historical cost convention and the accounting policies set out on page six.

**Respective responsibilities of directors and auditors**

As described on page two 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.

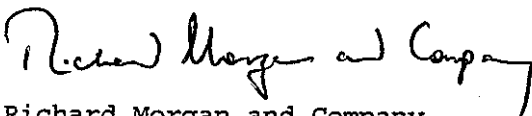
**Basis of opinion**

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 judgments 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 as at 31 August 1994 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Richard Morgan and Company  
Registered Auditor  
Chartered Accountants  
59 Victoria Road  
Surbiton  
Surrey KT6 4NQ

Dated: 28th June 1995

**TAKE 3 VIDEO AND FILM PRODUCTION LTD**

**PROFIT AND LOSS ACCOUNT  
for the Year Ended 31 August 1994**

|  |       | 31. 8.94 | 31. 8.93 |
|--|-------|----------|----------|
|  | Notes | £        | £        |
| <b>TURNOVER</b>  | 2     | 582,020  | 434,769  |
| Cost of Sales  |       | 353,441  | 279,421  |
| <b>GROSS PROFIT</b>                                      |       | 228,579  | 155,348  |
| Administrative Expenses                                  |       | 212,271  | 117,791  |
| <b>OPERATING PROFIT</b>                                  | 3     | 16,308   | 37,557   |
| Interest Receivable                                      | 4     | 1,340    | 668      |
|  |       | 17,648   | 38,225   |
| Interest Payable and<br>Similar Charges                  |       | 5        | -        |
| <b>PROFIT ON ORDINARY ACTIVITIES<br/>BEFORE TAXATION</b> |       | 17,643   | 38,225   |
| Tax on Profit on Ordinary<br>Activities                  |       | 5,527    | 9,500    |
| <b>PROFIT FOR THE FINANCIAL YEAR<br/>AFTER TAXATION</b>  |       | 12,116   | 28,725   |
| Retained Profit brought forward                          |       | 28,725   | -        |
| <b>RETAINED PROFIT CARRIED FORWARD</b>                   |       | £40,841  | £28,725  |

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous period.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current year or previous period.

The notes form part of these financial statements

TAKE 3 VIDEO AND FILM PRODUCTION LTD

**BALANCE SHEET**  
As at 31 August 1994

|   | Notes | 31. 8.94 |                | 31. 8.93 |                |
|---|-------|----------|----------------|----------|----------------|
|   |       | £        | £              | £        | £              |
| <b>FIXED ASSETS:</b>                                  |       |          |                |          |                |
| Tangible Assets                                       | 5     |          | 7,637          |          | 6,272          |
| <b>CURRENT ASSETS:</b>                                |       |          |                |          |                |
| Stocks  | 6     | 20,872   |                | 53,906   |                |
| Debtors   | 7     | 39,260   |                | 45,928   |                |
| Cash at Bank and In Hand                              |       | 82,251   |                | 32,253   |                |
|   |       | 142,383  |                | 132,087  |                |
| <b>CREDITORS: Amounts falling due within one year</b> | 8     | 108,179  |                | 109,632  |                |
| <b>NET CURRENT ASSETS:</b>                            |       |          | 34,204         |          | 22,455         |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>         |       |          | <u>£41,841</u> |          | <u>£28,727</u> |
| <b>CAPITAL AND RESERVES:</b>                          |       |          |                |          |                |
| Called Up Share Capital                               | 10    |          | 1,000          |          | 2              |
| Profit & Loss Account                                 |       |          | 40,841         |          | 28,725         |
| Shareholders' Funds                                   | 11    |          | <u>£41,841</u> |          | <u>£28,727</u> |

In preparing these financial statements, the directors have taken advantage of special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985. The directors have done so on the grounds that, in their opinion, the company is entitled to the benefit of those exemptions because it meets the qualifying conditions for small companies as stated in Section 247 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

C.R. Bratt - DIRECTOR



Approved by the Board on 27th June 1995

TAKE 3 VIDEO AND FILM PRODUCTION LTD

NOTES TO THE FINANCIAL STATEMENTS  
for the Year Ended 31 August 1994

1. ACCOUNTING POLICIES

**Accounting Convention**

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

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

**Turnover**

Turnover represents charges to third parties for goods and services, excluding value added tax.

**Tangible Fixed Assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

|                   |               |
|-------------------|---------------|
| Plant & Equipment | - 25% on cost |
|-------------------|---------------|

**Deferred Taxation**

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

**Hire Purchase and Leasing Commitments**

Rentals paid under operating leases are charged to income as incurred.

**Work in Progress**

Work in progress is stated at the lower of cost and net realisable value, and consists of external costs incurred which still have to be recharged to clients.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

3. OPERATING PROFIT

The operating profit is stated after charging:

|                             | 31. 8.94 | 31. 8.93 |
|-----------------------------|----------|----------|
|                             | £        | £        |
| Depreciation - Owned Assets | 4,432    | 2,022    |
| Auditors' Remuneration      | 1,500    | 1,500    |
|                             | <hr/>    | <hr/>    |
| Directors' Emoluments       | 80,000   | 34,000   |
|                             | <hr/>    | <hr/>    |

TAKE 3 VIDEO AND FILM PRODUCTION LTD

NOTES TO THE FINANCIAL STATEMENTS  
for the Year Ended 31 August 1994

|    |   |                   |                      |
|----|---|-------------------|----------------------|
| 4. | INTEREST RECEIVABLE                             |                   |                      |
|    |   | 31. 8.94          | 31. 8.93             |
|    |   | £                 | £                    |
|    | Bank Account Interest                           | 1,340             | 668                  |
|    |   | <u>          </u> | <u>          </u>    |
| 5. | TANGIBLE FIXED ASSETS                           |                   |                      |
|    |   |                   | Plant &<br>Equipment |
|    |   |                   | £                    |
|    | COST:   |                   |                      |
|    | As at 1 September 1993                          |                   | 8,294                |
|    | Additions                                       |                   | 5,797                |
|    |   |                   | <u>          </u>    |
|    | As at 31 August 1994                            |                   | 14,091               |
|    |   |                   | <u>          </u>    |
|    | DEPRECIATION:                                   |                   |                      |
|    | As at 1 September 1993                          |                   | 2,022                |
|    | Charge for Year                                 |                   | 4,432                |
|    |   |                   | <u>          </u>    |
|    | As at 31 August 1994                            |                   | 6,454                |
|    |   |                   | <u>          </u>    |
|    | NET BOOK VALUE:                                 |                   |                      |
|    | As at 31 August 1994                            |                   | £7,637               |
|    |   |                   | <u>          </u>    |
|    | As at 31 August 1993                            |                   | £6,272               |
|    |   |                   | <u>          </u>    |
| 6. | STOCKS  |                   |                      |
|    |   | 31. 8.94          | 31. 8.93             |
|    |   | £                 | £                    |
|    | Work in Progress                                | 20,872            | 53,906               |
|    |   | <u>          </u> | <u>          </u>    |
| 7. | DEBTORS: AMOUNTS FALLING<br>DUE WITHIN ONE YEAR |                   |                      |
|    |   | 31. 8.94          | 31. 8.93             |
|    |   | £                 | £                    |
|    | Trade Debtors                                   | 31,331            | 43,735               |
|    | Other Debtors                                   | 5,700             | 2,070                |
|    | Prepayments and Accrued Income                  | 2,229             | 123                  |
|    |   | <u>          </u> | <u>          </u>    |
|    |   | 39,260            | 45,928               |
|    |   | <u>          </u> | <u>          </u>    |



# TAKE 3 VIDEO AND FILM PRODUCTION LTD

## NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 August 1994

### 8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                               | 31. 8.94       | 31. 8.93       |
|-------------------------------|----------------|----------------|
|                               | £              | £              |
| Trade Creditors               | 21,004         | 29,802         |
| Directors Current Accounts    | 12,648         | 13,646         |
| Social Security & Other Taxes | 15,305         | 6,728          |
| Taxation                      | 5,284          | 9,500          |
| Accruals and Deferred Income  | 53,938         | 49,956         |
|                               | <u>108,179</u> | <u>109,632</u> |

### 9. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

The following payments are committed to be paid within one year:

|                            | Land and<br>Buildings<br>Operating<br>Leases |          |
|----------------------------|--|----------|
|                            | 31. 8.94                                     | 31. 8.93 |
|                            | £  | £        |
| Expiring:                  |  |          |
| Between one and five years | <u>5,700</u>                                 | <u>-</u> |

### 10. CALLED UP SHARE CAPITAL

|                                  |                 |         |              |              |
|----------------------------------|-----------------|---------|--------------|--------------|
| Authorised:                      |                 |         |              |              |
| Number:                          | Class:          | Nominal | 31. 8.94     | 31. 8.93     |
|                                  |                 | Value:  | £            | £            |
| 1,000                            | Ordinary Shares | £1      | <u>1,000</u> | <u>1,000</u> |
| Allotted, issued and fully paid: |                 |         |              |              |
| Number:                          | Class:          | Nominal | 31. 8.94     | 31. 8.93     |
|                                  |                 | Value:  | £            | £            |
| 1,000                            | Ordinary Shares | £1      | <u>1,000</u> | <u>2</u>     |

On 16th March 1994, 998 ordinary shares of £1 each were issued at par in order to increase the capital base of the company.

TAKE 3 VIDEO AND FILM PRODUCTION LTD

NOTES TO THE FINANCIAL STATEMENTS  
for the Year Ended 31 August 1994

|     |  |          |          |
|-----|--|----------|----------|
| 11. | RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS | 31. 8.94 | 31. 8.93 |
|     |  | £        | £        |
|     | Profit for the Financial Year                      | 12,116   | 28,725   |
|     | Share capital issued                               | 998      | 2        |
|     | NET ADDITION TO SHAREHOLDERS' FUNDS                | 13,114   | 28,727   |
|     | Opening Shareholders' Funds                        | 28,727   | -        |
|     | CLOSING SHAREHOLDERS' FUNDS                        | 41,841   | 28,727   |
|     | Equity interests                                   | 41,841   | 28,727   |