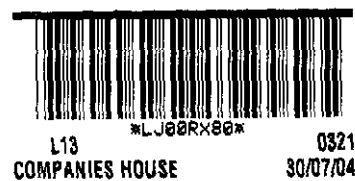


Bravado International Group Limited

Report and Financial Statements

30 September 2003



Company No. 2754921

Bravado International Group Limited
Report and Financial Statements
For the year ended 30 September 2003

COMPANY INFORMATION

Directors	B M Drinkwater KA Drinkwater H H Davies M T Cass C E Stone W A Ashurst
Secretary	S E A Standing
Company Number	2754921
Business Address	12 Deer Park Road South Wimbledon London SW19 3FB
Registered Office	Sanctuary House 45-53 Sinclair Road London W14 0NS
Auditors	Baker Tilly Chartered Accountants 2 Bloomsbury Street London WC1B 3ST
Bankers	HSBC Republic Bank (UK) Limited 31 Hill Street London W1J 5LS

Bravado International Group Limited

Contents

For the year ended 30 September 2003

Contents	Page
Directors' report	1-2
Independent auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 – 14

Bravado International Group Limited
Directors Report
For the year ended 30 September 2003

The directors present their report and financial statements for the year ended 30 September 2003.

Principal activities

The principal activity of the company continued to be that of merchandisers of licensed products.

Review of the business

The results for the year and the financial position at the year end were considered satisfactory by the directors. The directors believe that the company is soundly based to take advantage of opportunities arising in the foreseeable future.

Results and dividends

The results for the year are set out on page 4.

Directors and their interests

The following directors have held office during the year:

B M Drinkwater
K A Drinkwater
C E Stone
H H Davies
M T Cass
W A Ashurst (appointed 2 January 2003)

The shareholdings of the directors in the ultimate parent company, The Sanctuary Group plc were as follows:

No. of ordinary shares of 12.5p each		
	30 September 2003	30 September 2002
BM Drinkwater	1,690,609	1,690,609
KA Drinkwater	425,828	425,828
CE Stone	113,382	113,382
HH Davis	830,516	830,516
MT Cass	60,000	-
WA Ashurst	-	-

The directors held no other shares in any of the other group companies

Bravado International Group Limited
Directors Report
For the year ended 30 September 2003

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 judgements and estimates that are reasonable and prudent; and
- 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

A resolution to re-appoint Baker Tilly as auditors will be put to the members at the annual general meeting.

On behalf of the Board



CE Stone
Director

19 January 2004

Independent auditors' report to the members of Bravado International Group Limited

For the year ended 30 September 2003

We have audited the financial statements on pages 4 to 14.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company and other members of the group is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

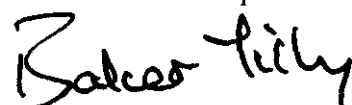
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 affairs of the company at 30 September 2003 and of the company's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BAKER TILLY
Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST



19 January 2004

Bravado International Group Limited
Profit and Loss Account
For the year ended 30 September 2003

		2003	2002
		£	Restated £
	Notes		
Turnover	2	12,946,059	8,611,828
Cost of sales		(11,484,012)	(6,555,301)
Gross Profit		<u>1,462,047</u>	<u>2,056,527</u>
Administrative expenses		(2,330,506)	(1,794,307)
Other operating expenses		1,016,632	340,110
Operating profit	3	<u>148,173</u>	<u>602,330</u>
Other interest receivable & similar income		39,090	61,384
Interest payable & similar charges	4	(13,969)	(67,555)
Profit on ordinary activities before taxation		<u>173,294</u>	<u>596,159</u>
Tax on profit on ordinary activities	5	(43,958)	(8,288)
Profit on ordinary activities after taxation	13	<u>129,336</u>	<u>587,871</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 30 September 2003

	2003	2002
	£	Restated £
Profit for the financial year	129,336	(512,129)
Total recognised gains and losses relating to the year	<u>129,336</u>	<u>(512,129)</u>
Prior year adjustment (note 11)	-	1,100,000
Total gains and losses recognised since last annual report	<u>129,336</u>	<u>587,871</u>

Bravado International Group Limited
Balance Sheet
For the year ended 30 September 2003

		2003	2002
	Notes	£	Restated £
Fixed assets			
Tangible assets	6	335,739	341,450
Current assets			
Stock	7	155,758	73,195
Debtors	8	7,276,958	4,812,831
Cash at bank and in hand		4,114,301	-
		<u>11,547,017</u>	<u>4,886,026</u>
Creditors: amounts falling due within one year	9	(5,004,883)	(2,212,122)
Net current assets		<u>6,542,134</u>	<u>2,673,904</u>
Total assets less current liabilities		<u>6,877,873</u>	<u>3,015,354</u>
Creditors: amounts falling due after more than one year	10	(4,492,214)	(759,031)
		<u>2,385,659</u>	<u>2,256,323</u>
Capital and reserves			
Called up share capital	12	100	100
Profit and loss account	13	2,385,559	2,256,223
Equity shareholders' funds	14	<u>2,385,659</u>	<u>2,256,323</u>

The financial statements were approved by the Board on 19 January 2004

CE Stone

CE Stone
 Director

Bravado International Group Limited
Notes to the Financial Statements
For the year ended 30 September 2003

1. ACCOUNTING POLICIES

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over their expected useful life, as follows:

Office equipment	20% and 33.33% on straight line
Fixtures, fittings and equipment	10% straight line
Motor vehicles	20% straight line

1.4 Leasing and hire purchase

Assets obtained under hire purchase contracts or finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Stock

Stock is valued at the lower of the cost and net realisable value.

1.6 Pensions

The company is a member of The Sanctuary Group plc group personal pension plan which is a money purchase scheme. Contributions are charged to the profit and loss account as incurred.

1.7 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Bravado International Group Limited
Notes to the Financial Statements
For the year ended 30 September 2003

1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling on the date of the transaction. All differences are taken to profit and loss account.

1.9 Royalties

Royalties payable are charged to the profit and loss accounts on an accruals basis. Advances to artists and licensors are assessed and the value of the unrecovered proportion to be included in debtors is determined by the prospects of future recoupment, based on past sales performance, current popularity and future touring plans. Provisions are made for unrecovered royalty advances in the accounting period in which they are regarded as irrecoverable.

2. TURNOVER

The whole of the turnover is attributable to the company's principal activity as stated in the Directors' Report. An analysis of turnover has not been disclosed, as in the opinion of the directors, it would be seriously prejudicial to the company's business.

3. OPERATING PROFIT

	2003 £	2002 £
Operating profit is stated after charging:		
Depreciation of tangible fixed assets	127,599	140,578
Operating lease rentals -		
Property rents	85,018	70,400
Auditors' remuneration	10,800	38,000
	<hr/>	<hr/>

4. INTEREST PAYABLE

	2003 £	2002 £
On bank loans and overdrafts	4,953	56,747
On other loans wholly repayable within 5 years	6,150	6,337
Hire purchase interest	2,866	4,471
	<hr/>	<hr/>
	13,969	67,555
	<hr/>	<hr/>

Bravado International Group Limited
Notes to the Financial Statements
For the year ended 30 September 2003

5. TAXATION

	2003	2002
	£	Restated £
(a) Analysis of charge in year		
Current tax:		
UK Corporation tax	48,434	8,288
Deferred tax:		
Origination and reversal of timing differences	(4,476)	-
	<u>43,958</u>	<u>8,288</u>
(b) Factors affecting the charge for the year		
Tax assessed for the year is lower than the standard rate of corporation tax in the UK (30%)		
The difference is explained below:	£	£
Profit on ordinary activities before tax	173,294	596,159
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK at 30% (2002:30%)	<u>51,988</u>	<u>178,847</u>
Capital allowances in excess of depreciation	(3,695)	-
Expenses not allowed for tax	141	-
Tax losses surrendered from group companies	-	(178,847)
Adjustment in respect of previous years	-	8,288
Current tax charge (5a)	<u>48,434</u>	<u>8,288</u>

Bravado International Group Limited
Notes to the Financial Statements
For the year ended 30 September 2003

6. TANGIBLE FIXED ASSETS

	Office Equipment £	Fixtures, Fittings & Equipment £	Motor Vehicles £	Total £
Cost				
At 1 October 2002	436,994	143,832	174,094	754,920
Additions	110,060	57,733	-	167,793
Disposals	-	-	(100,144)	(100,144)
At 30 September 2003	<u>547,054</u>	<u>201,565</u>	<u>73,950</u>	<u>822,569</u>
Depreciation				
At 1 October 2002	302,221	28,761	82,488	413,470
On disposals	-	-	(54,239)	(54,239)
Charge for the year	91,753	16,508	19,338	127,599
At 30 September 2003	<u>393,974</u>	<u>45,269</u>	<u>47,587</u>	<u>486,830</u>
Net book value				
At 30 September 2003	153,080	156,296	26,362	335,739
At 30 September 2002	<u>134,773</u>	<u>115,071</u>	<u>91,606</u>	<u>341,450</u>

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

	Fixtures, Fittings & Equipment £	Motor Vehicles £	Total £
Net book value			
At 30 September 2003	21,379	22,550	43,929
At 30 September 2002	<u>25,267</u>	<u>74,800</u>	<u>10,067</u>
Depreciation charge for the period			
30 September 2003	3,888	8,200	12,088
30 September 2002	<u>2,916</u>	<u>17,042</u>	<u>19,958</u>

Bravado International Group Limited
Notes to the Financial Statements
For the year ended 30 September 2003

7. STOCK

	2003	2002
	£	£
Finished goods and goods for resale	155,758	73,195

There is no material difference between the replacement cost and historical cost of stock.

8. DEBTORS

	2003	2002
	£	Restated £
Trade debtors	705,584	3,410,886
Other debtors	921,417	250,515
Amounts owed by group undertakings	5,610,000	1,100,000
Prepayments and accrued income	27,875	43,824
Deferred Tax	12,082	7,606
	<u>7,276,958</u>	<u>4,812,831</u>

9. CREDITORS: Amounts falling due within one year:

	2003	2002
	£	£
Bank loans and overdrafts	2,667,106	539,089
Net obligations under hire purchase contracts	11,503	25,572
Trade creditors	1,503,531	1,200,152
Corporation tax	58,589	8,288
Other creditors	16,921	83,985
Accruals and deferred income	747,233	355,036
	<u>5,004,883</u>	<u>2,212,122</u>

The bank loans are secured by a mortgage debenture over the assets of the company (see note 15). The finance leases are secured on the assets concerned.

Bravado International Group Limited
Notes to the Financial Statements
For the year ended 30 September 2003

10. CREDITORS: Amounts falling due after more than one year:

	2003	2002
	£	£
Other loans	90,000	90,000
Net obligations under hire purchase contracts	0	16,108
Amounts owed to group undertakings	4,402,214	652,923
	<u>4,492,214</u>	<u>759,031</u>
Analysis of loans		
Wholly repayable within five years	90,000	90,000
Included in current liabilities		-
	<u>90,000</u>	<u>90,000</u>
Loan maturity analysis		
In more than two years but not more than five years	90,000	90,000
Net obligations under hire purchase contracts		
Repayable within one year	12,727	28,322
Repayable between one and five years	-	17,840
	<u>12,727</u>	<u>46,162</u>
Finance charges & interest allocated to future accounting periods	(1,224)	(4,482)
	<u>11,503</u>	<u>41,680</u>
Included in liabilities falling due within one year	(11,503)	(25,572)
	<u>-</u>	<u>16,108</u>

11. DEFERRED TAX

	2003	2002
	£	£
Provision for deferred tax is as follows:		
Accelerated Capital allowances	12,082	7,606
	<u>12,082</u>	<u>7,606</u>
1 October 2002	7,606	7,606
Movement in year	4,476	-
	<u>12,082</u>	<u>7,606</u>
30 September 2003 - Debtors	<u>12,082</u>	<u>7,606</u>

Bravado International Group Limited
Notes to the Financial Statements
For the year ended 30 September 2003

12. SHARE CAPITAL

	2003 £	2002 £
Authorised		
100,000 Ordinary shares of £1 each	100,000	100,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100
	<hr/>	<hr/>

13. STATEMENT OF MOVEMENT ON PROFIT AND LOSS ACCOUNT

	£
Balance at 1 October 2002 – as originally stated	1,156,223
Prior year adjustment	1,100,000
	<hr/>
Balance at 1 October 2002 – restated	2,256,223
Retained profit for the year	129,336
	<hr/>
Balance at 30 September 2003	2,385,559
	<hr/>
A prior period adjustment has been made to reflect a fundamental error in the 2002 figures.	

14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2003 £	2002 £
Profit for the financial year	129,336	587,871
Opening shareholders' funds (originally £1,156,323 before adding a prior year adjustment of £1,100,000)	2,256,323	1,668,452
	<hr/>	<hr/>
Closing shareholders' funds	2,385,659	2,256,323
	<hr/>	<hr/>

15. CONTINGENT LIABILITIES

The company has provided cross guarantees in respect of bank loans and overdrafts of certain group and associated undertakings. The amount outstanding at 30 September 2003 was £59,452,000 (2002: £41,857,000).

Bravado International Group Limited
Notes to the Financial Statements
For the year ended 30 September 2003

16. FINANCIAL COMMITMENTS

At 30 September 2003 the company had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings	
	2003	2002
	£	£
Expiry date:		
In over five years	70,400	70,400

17. DIRECTORS' EMOLUMENTS

	2003	2002
	£	£
Emoluments for qualifying services	403,374	433,300

The number of director for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (2002: 3). No contributions were paid during the period (2002: Nil).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	204,323	185,497
------------------------------------	---------	---------

18. EMPLOYEES

Number of employees

The average monthly number of employees (including directors) during the period was:

	2003	2002
	Number	Number
Merchandising and administration	36	39

Employment costs:

	£	£
Wages and salaries	1,648,963	1,367,582
Social security costs	149,933	133,028
	1,798,896	1,500,610

Bravado International Group Limited
Notes to the Financial Statements
For the year ended 30 September 2003

19. IMMEDIATE PARENT COMPANY

The immediate parent company at 30 September 2003 was Bravado Group Limited, a company registered in England and Wales.

20. ULTIMATE PARENT COMPANY

In the directors' opinion the ultimate parent company at 30 September 2003 was The Sanctuary Group plc, a company registered in England and Wales.

Copies of the group financial statements of The Sanctuary Group plc are available from Companies House, Crown Way, Maindy, Cardiff CF4 3UZ

21. RELATED PARTY TRANSACTIONS

In preparing these financial statements, the directors have taken advantage of the exemptions available under paragraph 3(c) of the Financial Reporting Standard No 8 Related Party Disclosures.

22. CASH FLOW STATEMENTS

In accordance with Financial Reporting Standard No 1, cash flow statements have not been prepared as the cash flows of the company are included in those of the ultimate parent company, The Sanctuary Group plc.