

**REGISTRAR OF
COMPANIES**

Ealing Studios Management Limited

Report and Financial Statements

Year ended

31 December 2003



BDO Stoy Hayward
Chartered Accountants

Ealing Studios Management Limited

Annual report and financial statements for the year ended 31 December 2003

Contents

Directors

Page:

1	Report of the directors
3	Report of the independent auditors
5	Profit and loss account
6	Balance sheet
7	Notes forming part of the financial statements

Directors

U Fruchtmann
H Handelsman
J Kao
B D W Thompson

Secretary and registered office

S George, Ealing Studios, Ealing Green, Ealing, London, W5 5EP.

Company number

3062708

Auditors

BDO Stoy Hayward LLP, 8 Baker Street, London, W1U 3LL.

Bankers

Barclays Bank PLC, 50 Pall Mall, London, SW1A 1QA.

Ealing Studios Management Limited

Report of the directors for the year ended 31 December 2003

The directors present their report together with the audited financial statements for the year ended 31 December 2003.

Principal activities, results and dividends

The principal activity of the company continued to be that of the provision and operation of film studio facilities.

On 12 July 2002, the assets and liabilities of the company were transferred to Ealing Studios Operations, the parent company, on which date the company ceased to trade.

The profit and loss account is set out on page 5 and shows the result for the year.

The directors do not recommend the payment of a dividend.

Directors and their interests

The directors of the company during the year were:

	Ordinary shares of £1 each	
	2003	2002
U Fruchtmann	-	-
H Handelsman	-	-
J Kao	-	-
B D W Thompson	-	-

No director had any interest in the ordinary shares of the company.

All the directors are also directors of the parent company, Ealing Studios Operations Limited, and their interests in the share capital of that company are shown in its financial statements.

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 year. 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.

Ealing Studios Management Limited

Report of the directors for the year ended 31 December 2003 (Continued)

Auditors

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

This report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act relating to small companies.

By order of the Board

S George



Secretary

Date

15TH MARCH 2005

Ealing Studios Management Limited

Report of the independent auditors

To the shareholders of Ealing Studios Management Limited

We have audited the financial statements of Ealing Studios Management Limited for the year ended 31 December 2003 on pages 5 to 9 which have been prepared in accordance with the accounting policies set out on page 7.

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.

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 is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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.

Ealing Studios Management Limited

Report of the independent auditors (*Continued*)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO Stoy Hayward LLP

BDO STOY HAYWARD LLP

*Chartered Accountants
and Registered Auditors*
London

15 March 2005

Ealing Studios Management Limited**Profit and loss account for the year ended 31 December 2003**

	Note	2003 £	2002 £
Turnover		-	861,531
Cost of sales		-	(879,222)
		<hr/>	<hr/>
Gross loss		-	(17,691)
Administrative expenses		-	(98,538)
		<hr/>	<hr/>
Operating loss	2	-	(116,229)
Other interest receivable and similar income		-	49
Interest payable		-	(1,325)
		<hr/>	<hr/>
Loss on ordinary activities before taxation		-	(117,505)
Taxation on loss on ordinary activities	3	-	-
		<hr/>	<hr/>
Loss on ordinary activities after taxation		-	(117,505)
		<hr/>	<hr/>

All amounts relate to discontinuing activities.

All recognised gains and losses are included in the profit and loss account.

The notes on pages 7 to 9 form part of these financial statements.

Ealing Studios Management Limited

Balance sheet at 31 December 2003

	Note	2003 £	2002 £
Creditors: amounts falling due within one year	4	106,634	106,634
Total assets less current liabilities		(106,634)	(106,634)
Capital and reserves			
Called up share capital	5	2	2
Profit and loss account		(106,636)	(106,636)
Shareholders' deficit – equity		(106,634)	(106,634)

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 15th MARCH 2005



H Handelsman
Director

The notes on pages 7 to 9 form part of these financial statements.

Ealing Studios Management Limited

Notes forming part of the financial statements for the year ended 31 December 2003

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Turnover

Turnover represents income receivable for the provision and operation of film studio facilities, net of VAT.

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 its expected useful life, as follows:

Plant and machinery	-	15% straight line
Fixtures and fittings	-	15% straight line
Computer equipment	-	25% straight line

Deferred taxation

Deferred taxation balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the group anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

2 Operating loss

	2003 £	2002 £
This has been arrived at after charging:		
Depreciation of tangible assets	-	22,732
Auditors' remuneration	-	5,385
Loss on sale of fixed assets	-	574
	<hr/>	<hr/>

Notes forming part of the financial statements for the year ended 31 December 2003 (Continued)

	2003 £	2002 £
Taxation on loss on ordinary activities	-	-

	2003 £	2002 £
Loss on ordinary activities before tax	-	(117,505)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 30% (2002 – 30%)	-	(35,252)
Effects of:		
Expenses not deductible for tax purposes	-	1,124
Depreciation in excess of capital allowances	-	6,132
Unutilised trading losses	-	27,996
Current tax charge for year	-	-

	2003 £	2002 £
Amounts owed to parent company	106,634	106,634

	Authorised			
	2003	2002	2003	2002
	Number	Number	£	£
100 ordinary shares of £1 each	100	100	100	100
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Allotted, called up and fully paid			
	2003	2002	2003	2002
	Number	Number	£	£
2 ordinary shares of £1 each	2	2	2	2

Ealing Studios Management Limited

Notes forming part of the financial statements for the year ended 31 December 2003 (*Continued*)

6 Related party transactions

During the year invoices amounting to £Nil (2002 - £1,392) in respect of services and costs were charged by Farlane Management (UK) Limited, a company in which H Handelsman is a director.

During the year charges of £Nil (2002 - £213,056) were charged by Ealing Studios Operations the ultimate parent company in respect of services and costs. At 31 December 2003, the ultimate parent was owed an amount of £106,634 (2002 - £106,634 by the company).

During the year invoices of £Nil (2002 - £41,626) in respect of services and costs were charged by Ealing Studios Enterprises Limited, a company in which H Handelsmann, U Fruchtmann, J Kao and B Thompson are directors and have a material interest.

7 Ultimate parent company

The ultimate parent company is Ealing Studios Operations Limited, a company registered in England and Wales.