

Company Registration No. 3907641 (England and Wales)

RECKLESS FILMS LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2004



RECKLESS FILMS LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 JANUARY 2004

The director presents his report and financial statements for the year ended 31 January 2004.

Principal activities

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

Director

The following director has held office since 1 February 2003:

J Ward

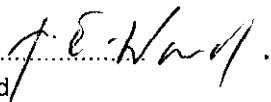
Director's interests

The director's interest in the shares of the company was as stated below:

	Ordinary shares of £ 1 each	
	31 January 2004	1 February 2003
J Ward	50	50

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board


.....
J Ward

Director

28 February 2005

RECKLESS FILMS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JANUARY 2004

	Notes	2004 £	2003 £
Turnover		46,475	61,081
Cost of sales		(47,806)	(76,208)
Gross loss		(1,331)	(15,127)
Administrative expenses		(56,785)	(45,545)
Operating loss	2	(58,116)	(60,672)
Interest payable and similar charges		(7,530)	(4,415)
Loss on ordinary activities before taxation		(65,646)	(65,087)
Tax on loss on ordinary activities	3	-	-
Loss on ordinary activities after taxation	9	(£65,646)	(65,087)

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

There are no recognised gains and losses other than those passing through the profit and loss account.

RECKLESS FILMS LIMITED

BALANCE SHEET AS AT 31 JANUARY 2004

		2004		2003	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	4		2,784		3,713
Current assets					
Debtors	5	983		50	
Cash at bank and in hand		8,206		33	
		<u>9,189</u>		<u>83</u>	
Creditors: amounts falling due within one year	6	<u>(148,335)</u>		<u>(74,512)</u>	
Net current liabilities			<u>(139,146)</u>		<u>(74,429)</u>
Total assets less current liabilities			<u>(136,362)</u>		<u>(70,716)</u>
Creditors: amounts falling due after more than one year	7		<u>(89,100)</u>		<u>(89,100)</u>
			<u>(£225,462)</u>		<u>(£159,816)</u>
Capital and reserves					
Called up share capital	8		100		100
Profit and loss account	9		<u>(225,562)</u>		<u>(159,916)</u>
Shareholders' funds - equity interests	10		<u>(£225,462)</u>		<u>£159,816</u>

RECKLESS FILMS LIMITED

BALANCE SHEET (CONTINUED) AS AT 31 JANUARY 2004

In preparing these financial statements:

- (a) The director is of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The director acknowledges his responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

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 28 February 2005.


J Ward
Director

RECKLESS FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

On the basis of the company's loan arrangements with its bankers at the balance sheet date, as disclosed in notes 6 and 7 to these financial statements, the directors consider it appropriate to prepare the financial statements on the going concern basis.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents amounts receivable for the production of films net of VAT.

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 its expected useful life, as follows:

Plant and machinery	25% reducing balance
Fixtures, fittings & equipment	25% reducing balance

1.4 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Operating loss

	2004	2003
	£	£
Operating loss is stated after charging:		
Depreciation of tangible assets	929	1,237
Accounting fees underprovided in prior years	8,818	-
	<u> </u>	<u> </u>

RECKLESS FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2004

3 Taxation

	£	£
Current tax charge	-	-
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	(65,646)	(65,087)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2003: 19.00%)	(12,473)	(12,367)
Effects of:		
Non deductible expenses	512	-
Depreciation add back	177	235
Capital allowances	(112)	(150)
Tax losses carried forward	11,896	12,282
	12,473	12,367
Current tax charge	-	-

The company has estimated losses of £220,000 (2003 : £160,000) available for carry forward against future trading profits.

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 February 2003 & at 31 January 2004	6,601
Depreciation	
At 1 February 2003	2,888
Charge for the year	929
At 31 January 2004	3,817
Net book value	
At 31 January 2004	2,784
At 31 January 2003	3,713

RECKLESS FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2004

5 Debtors	2004 £	2003 £
Other debtors	983	50

6 Creditors: amounts falling due within one year	2004 £	2003 £
Bank loans and overdrafts	132,642	68,299
Trade creditors	10,251	-
Taxation and social security	-	771
Director's current account	4,442	4,442
Other creditors	1,000	1,000
	148,335	74,512

The company meets its day to day working capital requirements through an overdraft facility which is repayable on demand. The company expects to operate within the facility currently agreed, which is reviewed three monthly and is expected to be renewed on this basis for the foreseeable future. This assumes the successful outcome of the company's plans for this period and the successful outcome of discussions with the company's bankers.

7 Creditors: amounts falling due after more than one year	2004 £	2003 £
Bank loans	89,100	89,100
Analysis of loans		
Wholly repayable within five years	89,100	89,100

Bank loans represent an amount drawn down from a facility with the company's bankers, under the small business loan scheme, guaranteed by the DTI. Repayment of the loan has been deferred until the Spring of 2005, in agreement with the company's bankers and the DTI.

8 Share capital	2004 £	2003 £
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

RECKLESS FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2004

9 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 February 2003	(159,916)
Retained loss for the year	(65,646)
Balance at 31 January 2004	<u>(225,562)</u>

10 Reconciliation of movements in shareholders' funds

	2004 £	2003 £
Loss for the financial year	(65,646)	(65,087)
Opening shareholders' funds	<u>(159,816)</u>	<u>(94,729)</u>
Closing shareholders' funds	<u>(225,462)</u>	<u>(159,816)</u>

11 Related party transactions

During the year, the director, J Ward, charged the company production fees of £25,000 (2003 - £23,000).