

## Kidstime Entertainment Limited

Directors' report and financial  
statements

Registered number 3965602

31 December 2003



22.04.05-331

## **Kidstime Entertainment Limited**

### **Company Information**

---

<b>Directors</b>	<b>S L Vaughan</b>
<b>Secretary</b>	<b>M D Osborne</b>
<b>Company number</b>	<b>3965602</b>
<b>Registered office</b>	<b>34 Gresse Street London W1T 1QX</b>
<b>Business address</b>	<b>34 Gresse Street London W1T 1QX</b>

## Contents

Directors' report	1
Statement of directors' responsibilities	2
Income statement	3
Balance sheet	4
Notes	5

## Directors' report

The directors present their report and the financial statements for the year ended 31 December 2003. The comparative figures are for the twelve months to 31 December 2002.

### Principal activities

The principal activity of the company continued to that of providing children's interactive entertainment.

### Business review

The company's gross profit for the year was £70,749 (twelve months ending December 2002: £62,896). The company's operating loss for the year was £26,162 (twelve months ending December 2002: £189,469).

### Results and dividends

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

### Directors

The following directors have held office since 1 January 2003:

S L Vaughan

The following directors resigned in 2003

S J Duncan

M D Osborne

D Docherty

E Tooke

A D Khwaja

### Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary A shares of 1p each	
	2003	2002
S L Vaughan	-	11,250
S J Duncan	-	-
M D Osborne	-	-
D Docherty	-	-
E Tooke	-	-
A D Khwaja	-	-

	Ordinary B shares of 1p each	
	2003	2002
S L Vaughan	-	-
S J Duncan	-	-
M D Osborne	-	-
D Docherty	-	-
E Tooke	-	-
A D Khwaja	-	-

### **Auditors**

The directors have decided not to reappoint the auditors Moores Rowland, and are applying the small companies exemption criteria as outlined in s247 and s247A of the Companies Act (1985), in electing not to perform a year-end audit.

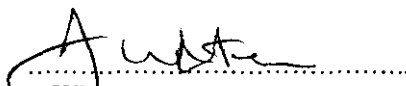
### **Directors' responsibilities**

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 and 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 responsible 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 that the financial statements comply with the Companies Act 1985. They are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board

  
A Whiteman  
Director

## Income statement

for the year ended 31 December 2003

	Not	2003	Twelve month period ended 31 December 2002
		£	£
Turnover		107,712	126,478
Cost of sales		(37,233)	(63,582)
		<hr/>	<hr/>
<b>Gross profit / (loss)</b>		<b>70,479</b>	<b>62,896</b>
Administrative expenses		(96,641)	(252,365)
		<hr/>	<hr/>
<b>Operating profit / (loss)</b>		<b>(26,162)</b>	<b>(189,469)</b>
Loans waived		-	-
		<hr/>	<hr/>
<b>Profit / (loss) on ordinary activities before interest</b>		<b>(26,162)</b>	<b>(189,469)</b>
Other interest receivable and similar income		12	236
Interest payable and similar charges		-	-
		<hr/>	<hr/>
<b>Profit / (loss) on ordinary activities before taxation</b>		<b>(26,150)</b>	<b>(189,233)</b>
Tax on profit/ (loss) on ordinary activities		-	-
		<hr/>	<hr/>
<b>Profit / (loss) for the financial year</b>		<b>(26,150)</b>	<b>(189,233)</b>
Dividends on equity shares		-	-
		<hr/>	<hr/>
<b>Retained profit / (loss) for the year</b>		<b>(26,150)</b>	<b>(189,233)</b>
		<hr/>	<hr/>

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

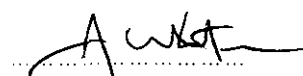
There are no recognised gains or losses other than the profit or loss for the above financial periods.

**Balance sheet**  
*at 31 December 2003*

	Note	£	2003 £	2002 £	£
<b>Fixed assets</b>					
Tangible assets	8		4,100		45,081
<b>Current assets</b>					
Debtors and prepayments	9	18,975		18,854	
Cash at bank		7,916		18,722	
		<u>26,891</u>		<u>37,576</u>	
<b>Creditors: amounts falling due within one year</b>	10	(47,606)		(73,122)	
			<u>(20,715)</u>		<u>(35,546)</u>
<b>Net current liabilities</b>					
			<u>(16,615)</u>		<u>(9,535)</u>
<b>Total assets less current liabilities</b>					
<b>Creditors: amounts falling due after more than one year</b>	11		(600,000)		(600,000)
			<u>(616,615)</u>		<u>(590,465)</u>
<b>Capital and reserves</b>					
Called up share capital	12		784		784
Ordinary shares - Telewest			160,526		160,526
Share premium account	13		449,186		449,186
Profit and loss account	13		(1,227,111)		(1,200,961)
	14		<u>(616,615)</u>		<u>(590,465)</u>

The financial statements were approved by the Board on 18<sup>th</sup> April 2005.

For the year ended 31<sup>st</sup> December 2003 the company was entitled to exemption under section 249A(1) of the Companies Act 1985. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2). The directors acknowledge their responsibility for: i) Ensuring the company keeps accounting records which comply with section 221; and ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

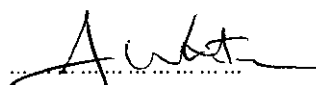
  
A Whiteman  
Director

**Balance sheet**  
*at 31 December 2003*

		2003	2002
	<i>Note</i>		
<b>Fixed assets</b>			
Tangible assets	8		
<b>Current assets</b>			
Debtors and prepayments	9		
Cash at bank			
<b>Creditors: amounts falling due within one year</b>	10		
<b>Net current liabilities</b>			
<b>Total assets less current liabilities</b>			
<b>Creditors: amounts falling due after more than one year</b>	11		
<b>Capital and reserves</b>			
Called up share capital	12		
Ordinary shares - Telewest			
Share premium account	13		
Profit and loss account	13		(1,200,961)
	14		

The financial statements were approved by the Board on 18<sup>th</sup> April 2005.

For the year ended 31<sup>st</sup> December 2003 the company was entitled to exemption under section 249A(1) of the Companies Act 1985. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2). The directors acknowledge their responsibility for: i) Ensuring the company keeps accounting records which comply with section 221; and ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

  
 A Whiteman  
 Director



## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

#### 1.1 Basis of preparation

The financial statements have been prepared on 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 its expected useful life, as follows:

Website costs	33.3% - straight line
Fixtures, fittings & equipment	25% - straight line

Website costs are capitalised in accordance with UITF 29, Website Development Costs, as the directors believe that the website is an integral part of the business.

#### 1.4 Leasing

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

#### 1.5 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the period in accordance with FRS17.

#### 1.6 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 directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

#### 1.7 Foreign currency translation

Monetary assets and liabilities denomination 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 at the date of the transaction. All differences are taken to profit and loss account.

#### 1.8 Cashflow statement

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

## Notes (continued)

### 2 Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

### 3 Operating loss

Operating loss is stated after charging:

	2003 £	2002 £
Depreciation of tangible assets	6,015	50,472
Auditor's remuneration – audit fees	-	-
- Non-audit fees	-	-
Director's emoluments	-	63,207
Profit on exchange	-	2
	<u>          </u>	<u>          </u>

### 4 Loans waived

During the period £nil (2002: nil) of loans were waived.

### 5 Interest payable

	2003 £	2002 £
On bank loans and overdrafts	-	-
	<u>          </u>	<u>          </u>

### 6 Taxation

The company has estimated losses of £26,150 (12 months ending December 31 2002: £189,233) available for carry forward against future trading profits.

### 7 Dividends and other appropriations

	2003 £	2002 £
Equity shares:		
Interim dividend paid	-	-
Final dividend proposed	-	-
	<u>          </u>	<u>          </u>
	-	-
	<u>          </u>	<u>          </u>

The aggregate amount of proposed dividends is £nil.

## Notes (continued)

### 8 Tangible Fixed Assets

	Website costs	Fixtures, fittings, tools and equipment	Total
	£	£	£
<b>Cost</b>			
At beginning of year	166,495	33,705	200,200
Additions	-	-	-
Disposals	-	-	-
At end of year	<u>166,495</u>	<u>33,705</u>	<u>200,200</u>
<b>Depreciation</b>			
At beginning of year	127,429	27,690	155,119
Charge for year	34,966	6,015	40,981
On disposals	-	-	-
At end of year	<u>162,395</u>	<u>33,705</u>	<u>196,100</u>
<b>Net book value</b>			
At 31 December 2003	<u>4,100</u>	<u>-</u>	<u>4,100</u>
At 31 December 2002	<u>39,066</u>	<u>6,015</u>	<u>45,081</u>

### 9 Debtors

	2003 £	2002 £
Trade debtors	734	10,453
Other debtors	18,241	7,142
Prepayments and accrued income	-	1,259
	<u>18,975</u>	<u>18,854</u>

**Notes** *(continued)*

**10 Creditors: amounts falling due within one year**

	2003 £	2002 £
Bank loans and overdrafts	-	-
Trade creditors	41,706	56,680
Other creditors	5,900	16,442
Accruals and deferred income	-	-
	<u>47,606</u>	<u>73,122</u>

**11 Creditors: amounts falling due after more than one year**

	2003 £	2002 £
Other creditors	<u>600,000</u>	<u>600,000</u>

**12 Share capital**

	2003 £	2002 £
<i>Authorised</i>	852	852
85,244 Ordinary A shares of 1p each	148	148
14,756 Ordinary B shares of 1p each	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called up and fully paid</i>	760	760
76,000 Ordinary A shares of 1p each	24	24
2,400 Ordinary B shares of 1p each	<u>784</u>	<u>784</u>

**Notes** *(continued)*

**13 Statement of movements on reserves**

	Share Premium	Profit and loss account
	£	£
At beginning of year	449,186	(1,200,961)
Movement in year	-	(28,806)
	<hr/>	<hr/>
At end of year	449,186	(1,229,767)
	<hr/>	<hr/>

**14 Reconciliation of movements in shareholder's funds**

	2003	2002
	£	£
(Loss)/profit for the financial period	(26,150)	(189,233)
Proceeds from the issue of shares	-	160,526
	<hr/>	<hr/>
Net (depletion in)/addition to shareholders' funds	(26,150)	(28,707)
Opening shareholder's funds	(590,465)	(561,758)
	<hr/>	<hr/>
	(616,615)	(590,465)
	<hr/>	<hr/>

**15 Directors' emoluments**

	2003	2002
	£	£
Emoluments for qualifying services	-	63,207
	<hr/>	<hr/>

**17 Employees**

**Number of employees**

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

	2003	2002
	£	£
Employees	2	4
	<hr/>	<hr/>
<b>Employment Costs</b>		
Wages and salaries	38,500	107,302
Social security costs	3,817	10,840
Other pension costs	-	2,187
	<hr/>	<hr/>
	42,317	120,329
	<hr/>	<hr/>