

Registration number 3848010

Red Rose Chain
Trustees' report and financial statements
for the year ended 30 September 2004



Red Rose Chain

Company information

Directors	J. Carrick J.L Grimes D.P Newborn
Secretary	D.P. Newborn
Company number	3848010
Registered office	1 Fore Hamlet Ipswich Suffolk IP3 8AA
Accountants	Bowker Orford 15/19 Cavendish Place London W1G 0DD

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Report of the Directors and Trustees for the year ended 30 September 2004

The trustees present their report and the financial statements for the year ended 30 September 2004.

Legal Status

The company is a company limited by guarantee without share capital. At 30th September 2002 there were three members. In the event of the company being wound up during the period of membership, or within 1 year after, each member undertakes to contribute such amount as may be required, not exceeding £1.

Principal activity

The principal objectives of the company are to promote, maintain, improve and advance public education, particularly by the production of educational plays and films, and the encouragement of the arts, including drama, mime, dance, singing and music, literature and poetry.

Directors and trustees

The directors and trustees who served during the year are as stated below:

J. Carrick
J.L. Grimes
D.P. Newborn

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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

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

This report was approved by the Board on 04/01/05 and signed on its behalf by

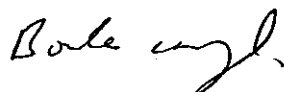


D.P. Newborn
Secretary

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**Accountants' report on the unaudited financial statements to the trustees of
Red Rose Chain**

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 30 September 2004 set out on pages 3 to 8 and you consider that the company is exempt from an audit. In accordance with your instructions we have compiled these unaudited financial statements, in order to assist you to fulfil your statutory responsibilities, from the accounting records and information supplied to us.



**Bowker Orford
Chartered Accountants
15/19 Cavendish Place
London
W1G 0DD**

Date: 7/1/05.

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Statement of Financial Activities for the year ended 30 September 2004

		Continuing operations	
		2004	2003
	Notes	£	£
Incoming Resources	2	255,350	209,680
Cost of productions		(179,343)	(143,831)
		<u>76,007</u>	<u>65,849</u>
Administrative expenses		(53,182)	(52,927)
Surplus of resources for the year	3	<u>22,825</u>	<u>12,922</u>
Other interest receivable and similar income		<u>605</u>	<u>143</u>
Net surplus before taxation		23,430	13,065
Retained surplus brought forward		<u>55,962</u>	<u>42,897</u>
Retained surplus carried forward		<u><u>79,392</u></u>	<u><u>55,962</u></u>

There are no recognised surplus' or deficits other than that shown for the above two financial years.

The notes on pages 6 to 8 form an integral part of these financial statements.

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Balance sheet as at 30 September 2004

		2004		2003	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	4		8,930		7,478
Current assets					
Stocks		7,661		6,290	
Debtors	5	21,734		14,692	
Cash at bank and in hand		54,215		43,325	
		<u>83,610</u>		<u>64,307</u>	
Creditors: amounts falling due within one year	6	<u>(13,148)</u>		<u>(15,823)</u>	
Net current assets			70,462		48,484
Net assets			<u>79,392</u>		<u>55,962</u>
Capital and reserves					
Unrestricted revenue reserve			79,392		55,962
			<u>79,392</u>		<u>55,962</u>

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 6 to 8 form an integral part of these financial statements.

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Balance sheet (continued)

**Trustees' statements required by Section 249B(4)
for the year ended 30 September 2004**

In approving these financial statements as trustees of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985 ;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 30 September 2004 and

(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) preparing financial statements 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 year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are 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 04/01/05 and signed on its behalf by

Joanna Carrick

J. Carrick
Director and Trustee

The notes on pages 6 to 8 form an integral part of these financial statements.

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Notes to the financial statements for the year ended 30 September 2004

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention .

The company has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small company.

Owing to the special nature of the company's activities, the trustees have departed from certain requirements of Schedule 4 to the Companies Act 1985 in order to provide sufficient information in compliance of section 228 of that Act. As the company is a mutual non-profit making organisation, the concept of profit is not appropriate and a Profit and Loss Account is accordingly replaced by a Statement of Financial Activities.

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	-	25% Reducing Balance
Motor vehicles	-	25% Reducing Balance

1.4. Stock

Stocks of film and video masters are included at the trustees' valuation.

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Notes to the financial statements for the year ended 30 September 2004

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1.5. Deferred taxation

The company adopted Financial Reporting Standard 19 "Deferred Taxation" (FRS 19) during the financial year.

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Prior to the adoption of FRS 19, the company provided for deferred taxation only to the extent that timing differences were expected to materialise in the foreseeable future. The adoption of the new policy has been made by way of a prior year adjustment as though the revised policy had always been applied.

1.6. Grants, donations and other income

Grants, donations and other income are credited to the Statement of Financial Activities for the accounting period to which it relates, or in which the donor intends it to be utilised. Income received in advance of the accounting period to which it relates is carried forward as a creditor of the company until it is due to be credited to the Statement of Financial Activities.

2. Incoming Resources

The total income of the company for the year has been derived from its principal activity wholly undertaken in the UK.

	2004	2003
	£	£
Sales and Royalties	143,525	93,018
Grants and Sponsorship	111,825	116,662
	<u>255,350</u>	<u>209,680</u>

3. Surplus of resources

	2004	2003
	£	£
Surplus of resources is stated after charging:		
Depreciation and other amounts written off tangible assets	<u>2,976</u>	<u>2,492</u>

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Notes to the financial statements for the year ended 30 September 2004

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4. Tangible fixed assets	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£
Cost			
At 1 October 2003	10,085	1,900	11,985
Additions	4,428	-	4,428
At 30 September 2004	<u>14,513</u>	<u>1,900</u>	<u>16,413</u>
Depreciation			
At 1 October 2003	3,409	1,098	4,507
Charge for the year	2,776	200	2,976
At 30 September 2004	<u>6,185</u>	<u>1,298</u>	<u>7,483</u>
Net book values			
At 30 September 2004	<u>8,328</u>	<u>602</u>	<u>8,930</u>
At 30 September 2003	<u>6,676</u>	<u>802</u>	<u>7,478</u>

5. Debtors	2004	2003
	£	£
Trade debtors	18,734	11,692
Other debtors	3,000	3,000
	<u>21,734</u>	<u>14,692</u>

6. Creditors: amounts falling due within one year	2004	2003
	£	£
Bank overdraft	-	3,773
Trade creditors	-	541
Other taxes and social security costs	4,139	4,605
Directors' accounts	6,094	5,904
Other creditors	1,265	-
Accruals and deferred income	1,650	1,000
	<u>13,148</u>	<u>15,823</u>

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The following pages do not form part of the statutory accounts.

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Detailed trading profit and loss account and expenses schedule for the year ended 30 September 2004

	2004		2003	
	£	£	£	£
Sales				
Sales and Royalties		143,525		93,018
Grants and Sponsorship		111,825		116,662
		<u>255,350</u>		<u>209,680</u>
Cost of sales				
Opening stock	6,290		4,950	
Production Costs	180,714		145,171	
	<u>187,004</u>		<u>150,121</u>	
Closing stock	(7,661)		(6,290)	
		<u>(179,343)</u>		<u>(143,831)</u>
Gross profit	30%	76,007	31%	65,849
Administrative expenses				
Rent and Rates	19,384		19,710	
Insurance	681		2,424	
Light and heat	1,088		937	
Repairs and maintenance	5,652		5,455	
Printing, postage and stationery	7,958		12,573	
Telephone	3,980		2,311	
Travelling and entertainment	9,248		5,307	
Accountancy	1,650		1,000	
Bank charges	556		357	
General expenses	9		361	
Depreciation on ff & equipment	2,776		2,225	
Depreciation on motor vehicles	200		267	
		<u>53,182</u>		<u>52,927</u>
Operating profit	9%	22,825	6%	12,922
Other income and expenses				
Interest receivable				
Bank deposit interest	605		143	
		<u>605</u>		<u>143</u>
Net profit for the year		<u>23,430</u>		<u>13,065</u>