

THE PW IMAGE STUDIO LIMITED

Company No. 2695039

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2001



The PW Image Studio Limited

Company Information

Directors

S. Ryan
H. Dindoyal

Secretary

S. Ryan

Registered Office

Devonshire House
60 Goswell Road
London
EC1M 7AD

Accountants

Kingston Smith
Devonshire House
60 Goswell Road
London
EC1M 7AD

The PW Image Studio Limited

Report of the Directors

The directors have pleasure in presenting their report and financial statements for the year ended 31st March 2001.

Principal activity and business review

The principal activity of the company throughout the year was that of the production of audio visual media.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

Results and dividend

The results of the company for the year are set out on page 3.

The directors do not recommend the payment of a dividend as the funds of the company are fully employed.

Directors and their interests

The directors who served the company throughout the year together with their interests (including family interests) in the shares of the company, at the beginning and end of the year, were as follows:

	Ordinary shares of £1 each	
	31st March 2001	1st April 2000
S. Ryan	37	37
H. Dindoyal	37	37

Auditors

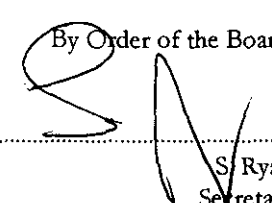
The directors have decided to take advantage of the provisions of section 249A of the Companies Act 1985 and therefore an audit has not been carried out for the year under review.

Small Company Rules

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Devonshire House
60 Goswell Road
London
EC1M 7AD

Date: x 31.1.02

By Order of the Board

S. Ryan
Secretary

The PW Image Studio Limited
Profit and Loss Account
For the year ended 31st March 2001

	Note	2001 £	2000 £
Turnover- continuing activities	2	820,581	645,616
Cost of sales		(299,340)	(285,121)
Gross profit		521,241	360,495
Distribution costs		(34,678)	(32,070)
Administrative expenses		(470,769)	(309,823)
Operating profit- continuing activities	3	15,794	18,602
Interest receivable and similar income	4	138	170
Interest payable and similar charges		(1,322)	(361)
Profit on ordinary activities before taxation		14,610	18,411
Taxation	6	(4,029)	(3,547)
Retained profit transferred to reserves	11	10,581	14,864

The PW Image Studio Limited

Balance Sheet at 31st March 2001

	Notes	2001 £	2000 £
Fixed Assets			
Tangible fixed assets	7	51,147	48,233
Current Assets			
Debtors	8	240,790	137,470
Cash at bank and in hand		13,828	22,885
		<u>254,618</u>	<u>160,355</u>
Creditors:			
Amounts falling due within one year	9	(224,624)	(129,564)
Net Current Assets		<u>29,994</u>	<u>30,791</u>
Total Assets less Current Liabilities		<u>81,141</u>	<u>79,024</u>
Creditors:			
Amounts falling due after more than one year	10	(6,249)	(14,713)
		<u>74,892</u>	<u>64,311</u>
Capital and Reserves			
Called up share capital - equity interests	11	100	100
Profit and loss account	11	74,792	64,211
Shareholders' Funds		<u>74,892</u>	<u>64,311</u>

The directors have:

(a) for the year in question confirmed the company was entitled to exemption under subsection (1) of Section 249A of the Companies Act 1985,

(b) confirmed that the members have not required the company to obtain an audit of its accounts for the year in accordance with Section 249B(2) of the Companies Act 1985;

(c) acknowledged their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985; and

(d) acknowledged their responsibilities for preparing accounts which give a true and fair view of the company and of its profit for the year then ended in accordance with the requirements of section 226 of the Companies Act 1985 and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to this company.

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Approved by the board on 31.1.02

S. Ryan

H. Dindoyal Directors

The PW Image Studio Limited

Notes to the Financial Statements

For the year ended 31st March 2001

1 Principal Accounting Policies

Accounting basis and standards

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover

Turnover represents the invoiced value of goods sold and services provided net of value added tax.

Depreciation

Depreciation on fixed assets is provided at rates estimated 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 and fittings	25% reducing balance

Deferred taxation

Deferred tax is accounted for under the liability method in respect of the taxation effects of all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

Pension scheme arrangements

The company operates a defined contribution scheme, the assets of the scheme being held separately from the assets of the company. The pension cost charge represents contributions payable to the scheme.

Leased Assets

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

2 Turnover

Turnover is attributable to the one principal activity of the company which arose wholly in the United Kingdom.

3 Operating Profit

	2001 £	2000 £
The operating profit is stated after charging:		
Auditors' remuneration	-	1,600
Depreciation - owned tangible fixed assets	11,760	9,024
Depreciation - assets held under finance leases and hire purchase contracts	5,290	7,054
Operating lease rentals - other assets	24,384	6,150
	<u>24,384</u>	<u>6,150</u>

4 Interest Receivable and Similar Income

	2001 £	2000 £
Bank interest received	138	170
	<u>138</u>	<u>170</u>

The PW Image Studio Limited
Notes to the Financial Statements
For the year ended 31st March 2001

5	Directors and Employees	2001 £	2000 £	
	Staff costs during the year were as follows:			
	Wages and salaries	330,661	221,935	
	Pension costs - money purchase scheme	8,267	6,400	
		<u>338,928</u>	<u>228,335</u>	
		£	£	
	Directors' Emoluments:			
	Emoluments	<u>77,372</u>	<u>75,200</u>	
	There are 2 (2000 - 2) directors in the money purchase pension scheme.			
6	Taxation	2001 £	2000 £	
	Current tax:			
	UK Corporation tax			
	U.K. Corporation tax at the rate of 20% (2000 - 21%)	4,029	3,547	
	Total current tax	<u>4,029</u>	<u>3,547</u>	
7	Tangible Assets			
		Plant and Machinery	Fixtures and Fittings	Total
	Cost	£	£	£
	At 1st April 2000	93,855	14,868	108,723
	Additions	-	19,964	19,964
	At 31st March 2001	<u>93,855</u>	<u>34,832</u>	<u>128,687</u>
	Depreciation			
	At 1st April 2000	55,449	5,041	60,490
	Charge for the year	9,602	7,448	17,050
	At 31st March 2001	<u>65,051</u>	<u>12,489</u>	<u>77,540</u>
	Net Book Value			
	At 31st March 2001	<u>28,804</u>	<u>22,343</u>	<u>51,147</u>
	At 31st March 2000	38,406	9,827	48,233

The net book value of fixed assets of £51,147 (2000 - £48,233) includes an amount of £15,871 (2000 - £21,161) in respect of assets held under finance leases.

The PW Image Studio Limited
Notes to the Financial Statements
For the year ended 31st March 2001

8	Debtors	2001	2000
		£	£
	Trade debtors	238,324	120,394
	Other debtors	2,441	17,051
	Prepayments and accrued income	25	25
		<u>240,790</u>	<u>137,470</u>
9	Creditors: Amounts Falling Due Within One Year	2001	2000
		£	£
	Trade creditors	144,994	63,875
	Corporation tax	8,708	8,209
	Social security and other taxes	10,381	4,078
	Other creditors	3,244	3,244
	Obligations under hire purchase and finance lease contracts	8,464	8,464
	Accruals and deferred income	48,833	41,694
		<u>224,624</u>	<u>129,564</u>
10	Creditors: Amounts Falling Due After More Than One Year	2001	2000
		£	£
	Obligations under finance leases and hire purchase contracts	6,249	14,713
11	Shareholders' Funds	Profit and Loss Account	Share Capital
	2001	£	Total
			£
	At 1st April 2000	64,211	100
	Profit for the year	10,581	-
		<u>74,792</u>	100
	At 31st March 2001		<u>74,892</u>
		2001	2000
		£	£
	The share capital comprises:		
	Authorised:		
	100 Ordinary shares of £1 each	100	100
	Called up, allotted and fully paid:		
	100 Ordinary shares of £1 each	100	100

The PW Image Studio Limited
Notes to the Financial Statements
For the year ended 31st March 2001

11 Shareholders' Funds (continued)

The movements in shareholders' funds in the previous year are set out below:

2000

	Profit and Loss Account £	Share Capital £	Total £
At 1st April 1999	49,347	100	49,447
Profit for the year	14,864	-	14,864
At 31st March 2000	64,211	100	64,311

12 Future Financial Commitments

(a) Operating leases

At 31st March 2001 the company had annual commitments under operating leases as set out below:

	2001 Land and buildings £	2001 Other £	2000 Land and buildings £	2000 Other £
Operating leases which expire:				
within one year	-	2,476	-	2,476
in the second to fifth year	25,437	7,308	18,068	3,840
	25,437	9,784	18,068	6,316

(b) Finance leases

	2001 £	2000 £
Net amount payable:		
within one year	8,464	8,464
between one and two years	6,249	8,464
in the second to fifth years	-	6,249
	14,713	23,177

13 Related Party Disclosures

During the year, the company entered into business transactions with Parlour Wood Limited, a shareholder of the company. Sales amounted to £26,705 (2000 - £42,265) and purchases £9,130 (2000 - £14,222). The balances outstanding at the year end were £20,064 (2000 - £9,502) on the sales ledger and £2,749 (2000 - £11,636) on the purchase ledger and £2,414 (2000 - £2,414) in other creditors. All transactions were carried out on normal business terms.