

30-01-02

Report of the Directors and
Financial Statements for the Year Ended 30 March 2002
for
New Electronic System Limited



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for the Year Ended 30 March 2002

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New Electronic System Limited

Company Information
for the Year Ended 30 March 2002

DIRECTORS: H Ramos
B Pozzi
F De Camelis

SECRETARY: H Ramos

REGISTERED OFFICE: 6 Albemarle Street
London
W1S 4HG

REGISTERED NUMBER: 3496704 (England and Wales)

New Electronic System Limited

Report of the Directors
for the Year Ended 30 March 2002

The directors present their report with the financial statements of the company for the year ended 30 March 2002.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of administration services to companies in the motion picture and video industry.

DIRECTORS

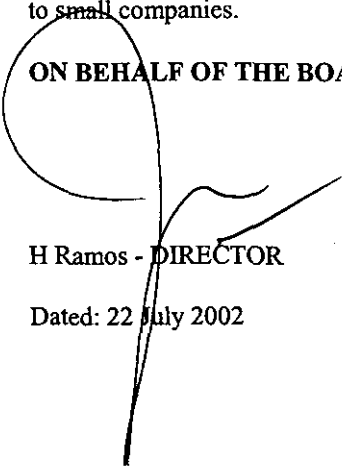
The directors during the year under review were:

H Ramos
B Pozzi
F De Camelis

The directors holding office at 30 March 2002 did not hold any beneficial interest in the issued share capital of the company at 31 March 2001 or 30 March 2002.

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:



H Ramos - DIRECTOR

Dated: 22 July 2002

New Electronic System Limited**Profit and Loss Account
for the Year Ended 30 March 2002**

	Notes	30.3.02		30.3.01	
		€	€	€	€
TURNOVER			216,280		-
Cost of sales			<u>198,061</u>		-
GROSS PROFIT			18,219		-
Distribution costs		882		-	
Administrative expenses		<u>15,355</u>		<u>4,950</u>	
			<u>16,237</u>		<u>4,950</u>
OPERATING PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2		1,982		(4,950)
Tax on profit/(loss) on ordinary activities			-		-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION			1,982		(4,950)
Deficit brought forward			<u>(4,950)</u>		-
DEFICIT CARRIED FORWARD			<u>€(2,968)</u>		<u>€(4,950)</u>

The notes form part of these financial statements

New Electronic System Limited

Balance Sheet
30 March 2002

		<u>30.3.02</u>		<u>30.3.01</u>	
	Notes	€	€	€	€
FIXED ASSETS:					
Investments	4		30,658		10,000
CURRENT ASSETS:					
Debtors	5	103,500		1,550	
Cash at bank		<u>109,202</u>		<u>-</u>	
		212,702		1,550	
CREDITORS: Amounts falling due within one year	6	<u>229,828</u>		<u>-</u>	
NET CURRENT (LIABILITIES)/ASSETS:			<u>(17,126)</u>		<u>1,550</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>€13,532</u>		<u>€11,550</u>
CAPITAL AND RESERVES:					
Called up share capital	7		16,500		16,500
Profit and loss account			<u>(2,968)</u>		<u>(4,950)</u>
SHAREHOLDERS' FUNDS:			<u>€13,532</u>		<u>€11,550</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 30 March 2002.

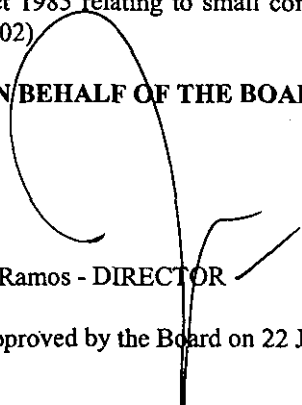
The members have not required the company to obtain an audit of its financial statements for the year ended 30 March 2002 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, 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 and with the Financial Reporting Standard for Smaller Entities (effective June 2002)

ON BEHALF OF THE BOARD:


H Ramos - DIRECTOR

Approved by the Board on 22 July 2002

The notes form part of these financial statements

New Electronic System Limited

Notes to the Financial Statements for the Year Ended 30 March 2002

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historic cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002). The company under its profit sharing agreement with Shelton Worldwide S.A. is entitled to 5% of the net profit on transactions administered on their behalf.

Foreign currencies

Transactions in foreign currencies have been converted to Euros at the rate ruling on the date of the transaction. Foreign currency assets and liabilities at the balance sheet date have been converted to Euros at the rate ruling on that date. Transactions in the accounting period have arisen in Euros with the exception of the Share Capital which is a sterling debt of the company.

Fixed asset investments

Fixed asset investments are valued at cost less any provision if appropriate.

Exemption under section 248

The company and its subsidiary comprise a small group. The company has taken advantage of the exemption provided in Section 248 of the Companies Act 1985 not to prepare group accounts and accordingly these accounts present information about the Company as a single undertaking.

2. OPERATING PROFIT/(LOSS)

The operating profit (2001 - operating loss) is stated after charging:

	30.3.02 €	30.3.01 €
Directors' emoluments and other benefits etc	-	-

3. PARTNERS PROFIT SHARE

Under a partnership agreement dated 2nd April 2001 Shelton Worldwide S.A. of Wickhams Cay, Road Town, Tortola, British Virgin Islands is entitled to receive a profit share amounting to 95% of the net profit on all transactions administered on behalf of the partnership by New Electronic System Limited.

4. FIXED ASSET INVESTMENTS

		€
COST:		
At 31 March 2001		10,000
Additions		<u>20,658</u>
At 30 March 2002		<u>30,658</u>
NET BOOK VALUE:		
At 30 March 2002		<u><u>30,658</u></u>
At 30 March 2001		<u><u>10,000</u></u>
	30.3.02	30.3.01
	€	€
Unlisted investments	30,658	10,000

New Electronic System Limited

Notes to the Financial Statements
for the Year Ended 30 March 2002

4. FIXED ASSET INVESTMENTS - continued

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

Q. Advertising S.r.L.

Country of incorporation: Italy

Nature of business: Advertising services

Class of shares:	%
Ordinary	holding 100.00

	31.12.01
	€
Aggregate capital and reserves	(2,501)
Loss for the year	<u>(12,501)</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.3.02	30.3.01
	€	€
Trade debtors	103,500	-
Other debtors	-	1,550
	<u>103,500</u>	<u>1,550</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.3.02	30.3.01
	€	€
Trade creditors	82,971	-
Other creditors	146,857	-
	<u>229,828</u>	<u>-</u>

7. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	30.3.02	30.3.01
			€	€
100,000	Ordinary	€1.65	<u>165,000</u>	<u>165,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	30.3.02	30.3.01
			€	€
10,000	Ordinary	€1.65	<u>16,500</u>	<u>16,500</u>