

REDWOOD STUDIOS LIMITED  
REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2002

PHILIP HUDSON & CO  
Chartered Accountants  
89 Chiswick High Road  
London W4 2EF

The Company's Incorporation No. is: 1320249



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REPORT OF THE DIRECTORS

REDWOOD STUDIOS LIMITED

The director presents his annual report and the accounts of the company for the year ended 30 June 2002.

Principal activity

The principal activity of the company in the year under review was that of a recording studio.

Director

The director who has held office during the year and his beneficial interests in the company's issued ordinary share capital were as follows:

	<u>2002</u>		<u>2001</u>	
	Deferred Ordinary		Deferred Ordinary	
A Jacquemin	85	85	85	85

Director's responsibilities

Company law requires the director to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those accounts, the director is required to:

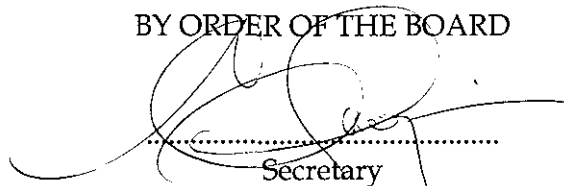
- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 accounts comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small company provisions

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

BY ORDER OF THE BOARD

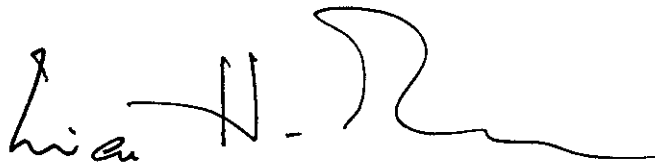
  
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 Secretary

2 Northfield Hall  
59 North Road  
London N6 4BJ

8 May 2003

ACCOUNTANTS REPORT TO THE SHAREHOLDERS  
ON THE UNAUDITED ACCOUNTS OF REDWOOD STUDIOS LIMITED

As described on the balance sheet on page 4 the directors are responsible for the preparation of the accounts for the year ended 30 June 2002 set out on pages 3 to 7 and they consider that the company is exempt from an audit under the Companies Act 1985. In accordance with their instructions, we have compiled these unaudited accounts in order to assist them fulfil their statutory responsibilities, from the accounting records and information and explanations supplied to us.

A handwritten signature in black ink, appearing to read 'Philip Hudson', with a stylized flourish at the end.

Philip Hudson & Co.  
Chartered Accountants  
89 Chiswick High Road  
London W4 2EF

8 May 2003

REDWOOD STUDIOS LIMITED  
PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2002

	<u>Note</u>	<u>2002</u>	<u>2001</u>
Turnover	(1e)	167,683	182,911
Cost of sales		22,629	36,876
Gross profit		<u>145,054</u>	<u>146,035</u>
Administration expenses		83,850	111,373
Operating profit		<u>61,204</u>	<u>34,662</u>
Interest receivable and similar income	(2)	1,540	1,788
Profit on ordinary activities before taxation	(3)	<u>62,744</u>	<u>36,450</u>
Tax on profit on ordinary activities	(4)	13,275	5,608
Profit on ordinary activities after taxation		<u>49,469</u>	<u>30,842</u>
Dividends		32,000	-
Retained profit for the year		<u>17,469</u>	<u>30,842</u>
Retained profit at beginning of year		127,701	96,859
Retained profit at end of year		<u>£ 145,170</u> =====	<u>£ 127,701</u> =====

The accompanying notes form an integral part of these accounts.

REDWOOD STUDIOS LIMITED

## BALANCE SHEET

AT 30 JUNE 2002

	<u>Notes</u>	<u>2002</u>	<u>2001</u>
<u>Fixed assets</u>			
Tangible assets	(5)	75,780	80,194
<u>Current assets</u>			
Debtors	(6)	29,300	37,708
Cash at bank and in hand		93,842	61,757
		<u>123,142</u>	<u>99,465</u>
Creditors: amounts falling due within one year	(7)	43,891	36,097
Net current assets		<u>79,251</u>	<u>63,368</u>
Total assets less current liabilities		<u>155,031</u>	<u>143,562</u>
Creditors: amounts falling due after more than one year	(8)	(9,661)	(15,661)
		<u>£ 145,370</u>	<u>£ 127,901</u>
		=====	=====
<u>Capital and reserves</u>			
Called up share capital	(9)	200	200
Profit and loss account		145,170	127,701
	(10)	<u>£ 145,370</u>	<u>£ 127,901</u>
		=====	=====

In the director's opinion the company is entitled to the exemption from audit conferred by subsection 1 of section 249A of the Companies Act 1985 for the year ended 30 June 2002.

The director confirms that no notice under Section 249B (2) of the Companies Act 1985 requiring an audit has been deposited by members.

The director confirms that he is responsible for :

- a) ensuring that the company keeps accounting records which comply with the requirements of section 221 of the Companies Act 1985, and
- b) preparing accounts which give a true and fair view of the state of affairs of the company as at 30 June 2002 and of its results for the period 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 the company.

In preparing these accounts the directors have complied 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).

The accounts were approved by the board on **8 May** 2003.

The accompanying notes form an inte

The accompanying notes form an integral part of these accounts.

REDWOOD STUDIOS LIMITEDNOTES TO THE ACCOUNTSFOR THE YEAR ENDED 30 JUNE 20021. Accounting policies

The principal accounting policies, which have been consistently applied, are:-

a) Basis of accounting

The accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

b) Tangible fixed assets

Fixed assets are stated at original historical cost less aggregate depreciation.

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

Premises	5% on cost
Motor vehicles	25% on cost
Furniture, equipment and fittings	15% reducing balance

c) Deferred taxation

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.

d) Turnover

Turnover comprises the value of sales (excluding VAT) of goods and services supplied in the normal course of business.

2. Interest receivable and similar income

	<u>2002</u>	<u>2001</u>
Bank interest	£ 1,540	£ 1,788
	=====	=====

3. Profit on ordinary activities before taxation

	<u>2002</u>	<u>2001</u>
Profit on ordinary activities before taxation is arrived at, after charging:-		
Director's remuneration	£ 26,000	£ 26,000
Depreciation	£ 11,529	£ 11,459
Profit on sale of fixed assets	-	£ (550)

REDWOOD AGENCIES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2002

4. Taxation on profit on ordinary activities

	<u>2002</u>	<u>2001</u>
Based on the profit for the year:-		
UK Corporation Tax	£ 13,275	£ 5,608
	=====	=====

5. Tangible fixed assets

	Property	Motor Vehicle	Furniture & Equipment	Office Equipment	Total
<b>COST</b>					
At 1 July 2001	42,237	5,500	127,959	-	175,696
Additions	-	1,985	1,000	4,131	7,116
Disposals	-	-	-	-	-
At 30 June 2002	42,237	7,485	128,958	4,131	182,812
<b>DEPRECIATION</b>					
At 1 July 2001	7,218	5,500	82,784	-	95,502
Charge for year	2,112	1,871	6,926	620	11,529
At 30 June 2002	9,330	7,371	89,710	620	107,031
<b>Net book value</b>					
At 30 June 2002	£ 32,907	£ 114	£ 39,248	£ 3,511	£ 75,780
	=====	=====	=====	=====	=====
At 30 June 2001	£ 35,019	-	£ 45,175	-	£ 80,194
	=====	=====	=====	=====	=====

6. Debtors

	<u>2002</u>	<u>2001</u>
Trade debtors	20,302	29,923
Prepayments and other debtors	8,998	7,785
	£ 29,300	£ 37,708
	=====	=====



REDWOOD AGENCIES LIMITEDNOTES TO THE ACCOUNTS (CONTINUED)FOR THE YEAR ENDED 30 JUNE 20027. CREDITORS: amounts falling due within one year

	<u>2002</u>	<u>2001</u>
Trade creditors	3,382	3,157
Corporation tax	13,275	5,608
Other taxes and social security	12,773	11,394
Accruals and deferred income	1,950	1,989
Director's current account	57	6,295
Other creditors	12,454	7,654
	<u>£ 43,891</u>	<u>£ 36,097</u>
	=====	=====

8. CREDITORS: amounts falling due after more than one year

	<u>2002</u>	<u>2001</u>
Gumby Corporation Ltd	£ 9,661	£ 15,661
	=====	=====

9. Called up share capital

	<u>2002</u>	<u>2001</u>
Authorised:		
4,900 Ordinary shares of £1 each	4,900	4,900
100 Deferred shares of £1 each	£ 100	£ 100
Allotted called up and fully paid:		
100 Ordinary shares of £1 each	£ 100	£ 100
100 Deferred shares of £1 each	£ 100	£ 100

10. Reconciliation of movement of shareholders' funds

	<u>2002</u>	<u>2001</u>
Opening shareholder's funds	127,901	97,059
Profit for the financial year after taxation	49,469	30,842
Dividends	(32,000)	-
Closing shareholder's funds	<u>£ 145,370</u>	<u>£ 127,901</u>
	=====	=====

11. Controlling party

Throughout the year, the company was controlled by A Jacquemin who is the sole director and majority shareholder.