

TYPEPOST LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31st MARCH 2005

Company Registration Number 1480593



TYPEPOST LIMITED
UNAUDITED FINANCIAL STATEMENTS
YEAR ENDED 31st MARCH 2005

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TYPEPOST LIMITED
COMPANY INFORMATION

| | |
|--------------------------|---|
| The director | Michael Edward Rudman |
| Company secretary | Karen Sarah Curran |
| Registered office | 180 Wardour Street London W1F 8FY |
| Bankers | National Westminster Bank plc 69, Baker Street London W1V 2BA Union Bank of Switzerland 8021 Zurich Switzerland |

TYPEPOST LIMITED

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of the company will be held at 12.00 noon on 27th February 2006 at 11a Cochrane Mews, London NW8 6NY.

1. To receive and adopt the director's report and unaudited financial statements for the year ended 31st March 2005.
2. To transact any other ordinary business of an Annual General Meeting

Registered office

180 Wardour Street
London
W1F 8FY


By order of the board

Michael Edward Rudman
Director

23rd January 2006

Notes:

- a. A shareholder entitled to attend and vote at the meeting may appoint one or more proxies to attend and, on a poll, vote on his behalf. A proxy need not be a member of the company.
- b. A form of proxy is enclosed with this notice for your use in respect of the business set out above. To be effective, the form of proxy together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified or an office copy of such power of authority) must be lodged at the company's registered office at least forty-eight hours before the time appointed for the meeting.

TYPEPOST LIMITED
THE DIRECTOR'S REPORT
YEAR ENDED 31st MARCH 2005

The director presents his report and the unaudited financial statements of the company for the year ended 31st March 2005.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company continued to be that of the provision of services to the entertainment industry.

The company continued to develop entertainment projects during the year, which it is hoped will be more significantly revenue producing in the following accounting period.

RESULTS AND DIVIDENDS

The trading results for the year and the company's financial position at the end of the year are shown in the attached unaudited financial statements.

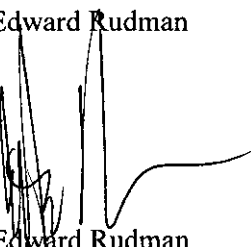
The director has not recommended a dividend.

THE DIRECTOR AND HIS INTERESTS IN THE SHARES OF THE COMPANY

The director who served the company during the year together with his beneficial interests in the shares of the company was as follows:

| | Ordinary Shares of £1 each | |
|-----------------------|-----------------------------------|---------------------|
| | At | At |
| | 31 March 2005 | 1 April 2004 |
| Michael Edward Rudman | <u>100</u> | <u>100</u> |

Signed by



Michael Edward Rudman
 Director

Approved by the director on 23rd January 2006

TYPEPOST LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31st MARCH 2005

| | Note | 2005 £ | 2004 £ |
|--|------|-------------|-------------|
| TURNOVER | 2 | 1,249 | — |
| Administrative expenses | | 121,720 | 104,898 |
| OPERATING LOSS | 3 | (120,471) | (104,898) |
| Interest payable and similar charges | 5 | 32 | 71 |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | | (120,503) | (104,969) |
| Tax on loss on ordinary activities | 6 | — | — |
| LOSS FOR THE FINANCIAL YEAR | | (120,503) | (104,969) |
| Balance brought forward | | (1,008,170) | (903,201) |
| Balance carried forward | | (1,128,673) | (1,008,170) |

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

TYPEPOST LIMITED

BALANCE SHEET

31st MARCH 2005

| | Note | 2005 £ | 2004 £ |
|---|------|--------------------|--------------------|
| FIXED ASSETS | | | |
| Tangible assets | 7 | 6,152 | 9,933 |
| CURRENT ASSETS | | | |
| Debtors | 8 | 5,550 | 5,519 |
| Cash at bank and in hand | | 42,794 | 30,383 |
| | | <u>48,344</u> | <u>35,902</u> |
| CREDITORS: Amounts falling due within one year | 9 | <u>1,183,069</u> | <u>1,053,905</u> |
| NET CURRENT LIABILITIES | | (1,134,725) | (1,018,003) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>(1,128,573)</u> | <u>(1,008,070)</u> |
| CAPITAL AND RESERVES | | | |
| Called-up equity share capital | 12 | 100 | 100 |
| Profit and loss account | | (1,128,673) | (1,008,170) |
| DEFICIENCY | 13 | <u>(1,128,573)</u> | <u>(1,008,070)</u> |

The director is satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The director acknowledges his responsibility for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing unaudited 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 financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to unaudited financial statements, so far as applicable to the company.

These unaudited financial statements were approved and signed by the director on 23rd January 2006.

Michael Edward Rudman

TYPEPOST LIMITED
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
YEAR ENDED 31st MARCH 2005

1. ACCOUNTING POLICIES

Basis of accounting

The unaudited financial statements have been prepared under the historical cost convention.

Cash flow statement

The director has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the unaudited financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts receivable during the year, for services provided exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

| | | |
|---------------------|---|--|
| Leasehold Property | - | straight line over the period of the lease |
| Fixtures & Fittings | - | 15% per annum on cost |

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. TURNOVER

The turnover and operating loss for the year was derived from the company's principal activity and was carried out in the UK.

TYPEPOST LIMITED
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
YEAR ENDED 31st MARCH 2005

3. OPERATING LOSS

Operating loss is stated after charging:

| | 2005 | 2004 |
|--|------------|--------------|
| | £ | £ |
| Depreciation of owned fixed assets | 1,960 | 2,556 |
| Loss on disposal of fixed assets | 1,056 | 64 |
| Net loss on foreign currency translation | <u>982</u> | <u>1,469</u> |

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

| | 2005 | 2004 |
|--------------------------------|----------|----------|
| | No | No |
| Number of administrative staff | 1 | 1 |
| Number of management staff | <u>1</u> | <u>1</u> |
| | <u>2</u> | <u>2</u> |

The aggregate payroll costs of the above were:

| | 2005 | 2004 |
|-----------------------|---------------|---------------|
| | £ | £ |
| Wages and salaries | 44,613 | 27,174 |
| Social security costs | 6,269 | 2,592 |
| | <u>50,882</u> | <u>29,766</u> |

The director received no emoluments during the year (2004: £nil)

5. INTEREST PAYABLE AND SIMILAR CHARGES

| | 2005 | 2004 |
|------------------------------------|-----------|-----------|
| | £ | £ |
| Interest payable on bank borrowing | <u>32</u> | <u>71</u> |

6. TAXATION ON ORDINARY ACTIVITIES

The company is a 'close' company within the provisions of the Income and Corporation Taxes Act 1988.

TYPEPOST LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2005

6. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(a) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19% (2004 - 19%).

| | 2005 £ | 2004 £ |
|---|------------------|------------------|
| Loss on ordinary activities before taxation | <u>(120,503)</u> | <u>(104,969)</u> |
| Loss on ordinary activities multiplied by the effective rate of tax | (22,896) | (19,944) |
| Expenses not deductible for tax purposes | 1,925 | 3,116 |
| Capital allowances for the year less than/(in excess of) depreciation | 403 | (1,314) |
| Foreign exchange losses | 187 | 279 |
| Current tax losses not utilised | <u>20,381</u> | <u>17,863</u> |
| Total current tax (note 6(a)) | <u>—</u> | <u>—</u> |

(b) Factors that may affect future tax charges

At 31st March 2005, there were trading losses available to carry forward against profits of the same trade of £991,025 (2004: £883,579).

7. TANGIBLE FIXED ASSETS

| | Short Leasehold Property £ | Fixtures & Fittings £ | Total £ |
|-----------------------|-------------------------------------|-----------------------------|---------------|
| COST | | | |
| At 1st April 2004 | 10,003 | 17,074 | 27,077 |
| Disposals | — | (2,143) | (2,143) |
| At 31st March 2005 | <u>10,003</u> | <u>14,931</u> | <u>24,934</u> |
| DEPRECIATION | | | |
| At 1st April 2004 | 10,002 | 7,142 | 17,144 |
| Charge for the year | — | 1,960 | 1,960 |
| On disposals | — | (322) | (322) |
| At 31st March 2005 | <u>10,002</u> | <u>8,780</u> | <u>18,782</u> |
| NET BOOK VALUE | | | |
| At 31st March 2005 | <u>1</u> | <u>6,151</u> | <u>6,152</u> |
| At 31st March 2004 | <u>1</u> | <u>9,932</u> | <u>9,933</u> |

TYPEPOST LIMITED
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
YEAR ENDED 31st MARCH 2005

8. DEBTORS

| | 2005 | 2004 |
|--------------------------------|--------------|--------------|
| | £ | £ |
| Trade debtors | 3 | — |
| Other debtors | 688 | 560 |
| Prepayments and accrued income | 4,859 | 4,959 |
| | <u>5,550</u> | <u>5,519</u> |

9. CREDITORS: Amounts falling due within one year

| | 2005 | 2004 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Other taxation and social security | 2,788 | 2,073 |
| Directors current accounts | 1,176,581 | 1,047,922 |
| Accruals and deferred income | 3,700 | 3,910 |
| | <u>1,183,069</u> | <u>1,053,905</u> |

10. COMMITMENTS UNDER OPERATING LEASES

At 31st March 2005 the company had annual commitments under non-cancellable operating leases as set out below.

| | Land & Buildings | |
|--------------------------------|-----------------------------|---------------|
| | 2005 | 2004 |
| | £ | £ |
| Operating leases which expire: | | |
| Within 2 to 5 years | <u>14,250</u> | <u>14,250</u> |

11. RELATED PARTY TRANSACTIONS

Control of the company rests with the director, Mr Michael Rudman.

Included in creditors is an amount of £1,176,581 (2004: £1,047,922) owed to the director.

TYPEPOST LIMITED
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
YEAR ENDED 31st MARCH 2005

12. SHARE CAPITAL**Authorised share capital:**

| | 2005 | 2004 |
|----------------------------------|---------------------|---------------------|
| | £ | £ |
| 1,000 Ordinary shares of £1 each | <u>1,000</u> | <u>1,000</u> |

Allotted, called up and fully paid:

| | 2005 | | 2004 |
|----------------------------|-------------------|-------------------|-------------------|
| | No | £ | No |
| | | | £ |
| Ordinary shares of £1 each | <u>100</u> | <u>100</u> | <u>100</u> |

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2005 | 2004 |
|--------------------------------------|---------------------------|---------------------------|
| | £ | £ |
| Loss for the financial year | (120,503) | (104,969) |
| Opening shareholders' equity deficit | <u>(1,008,070)</u> | <u>(903,101)</u> |
| Closing shareholders' equity deficit | <u>(1,128,573)</u> | <u>(1,008,070)</u> |