

1699152 (England and Wales)

Studiospares Limited
Directors' Report and Financial Statements
for the year ended 28 February 1995



Studiospares Limited

Company Information

| | |
|--------------------------|------------------------------------------------------------------|
| Directors | Mr B R Lambden Mrs P D Lambden |
| Secretary | B R Lambden |
| Company Number | 1699152 (England and Wales) |
| Registered Office | 7 Harvil Road Ickenham Uxbridge, UB10 8AT |
| Auditors | Foreman & Hill 3 Park Street Windsor, Berkshire SL4 1LU |
| Business Address | 61-63 Rochester Place Camden Town London NW1 9JU |

Studiospares Limited

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Studiospares Limited

Directors' Report for the year ended 28 February 1995

The directors present their report and the financial statements for the year ended 28 February 1995.

Principal Activities

The principal activity of the company continued unchanged as that of wholesale and retail sale of recording equipment and accessories.

The directors consider the result for the year and the position at the year end to be satisfactory.

Directors and their Interests

The directors who served during the year and their interests in the company were as stated below.

| | Class of share | Number of shares | |
|-----------------|-----------------|------------------|------|
| | | 1995 | 1994 |
| Mr B R Lambden | Ordinary shares | 51 | 51 |
| Mrs P D Lambden | Ordinary shares | 49 | 49 |

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Foreman & Hill be reappointed as auditors of the company will be put to the Annual General Meeting.

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 affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

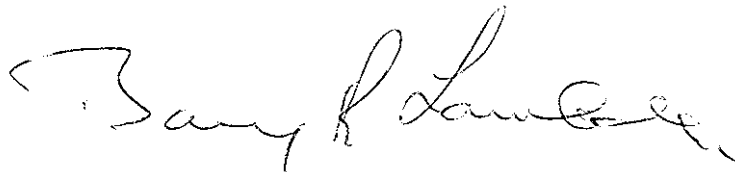
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 irregularities.

In the preparation of the directors' report advantage has been taken of the special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

This report was approved by the Board on 7 June 1995.

B R Lambden
Secretary



Studiospares Limited

**Auditors' Report
to the shareholders of Studiospares Limited**

We have audited the financial statements on pages 3 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

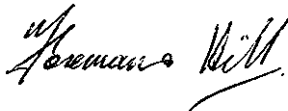
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 28 February 1995 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Foreman & Hill

Chartered Accountants
Registered Auditor

19 June 1995

3 Park Street
Windsor, Berkshire
SL4 1LU

Studiospares Limited
Profit and Loss Account
for the year ended 28 February 1995

| | Notes | 1995 £ | 1994 £ |
|--------------------------------------------------|-------|-----------------|-----------------|
| Turnover | | 1,986,879 | 1,768,736 |
| Cost of sales | | (1,439,574) | (1,305,056) |
| Gross profit | | <u>547,305</u> | <u>463,680</u> |
| Distribution costs | | (43,079) | (40,332) |
| Administrative expenses | | (423,723) | (362,091) |
| Operating profit | 2 | <u>80,503</u> | <u>61,257</u> |
| Other interest receivable and similar income | 3 | <u>2,823</u> | <u>2,068</u> |
| Profit on ordinary activities before taxation | | 83,326 | 63,325 |
| Tax on profit on ordinary activities | 4 | (21,615) | (24,908) |
| Profit for the year | 11 | <u>£ 61,711</u> | <u>£ 38,417</u> |

There are no recognised gains and losses other than those passing through the profit and loss account.

Studiospares Limited

Balance Sheet as at 28 February 1995

| | Notes | 1995 £ | 1994 £ |
|----------------------------------------------------------------|-------|------------------|------------------|
| Fixed Assets | | | |
| Tangible assets | 5 | 628,408 | 641,123 |
| Current Assets | | | |
| Stocks | | 141,846 | 149,872 |
| Debtors | 6 | 123,538 | 118,513 |
| Cash at bank and in hand | | 132,685 | 92,202 |
| | | <u>398,069</u> | <u>360,587</u> |
| Creditors: amounts falling due within one year | 7 | <u>(430,304)</u> | <u>(467,249)</u> |
| Net Current Liabilities | | <u>(32,235)</u> | <u>(106,662)</u> |
| Total Assets Less Current Liabilities | | <u>596,173</u> | <u>534,461</u> |
| Creditors: amounts falling due after more than one year | 8 | (80,689) | (80,589) |
| Provision for Liabilities and Charges | 9 | <u>(68,000)</u> | <u>(68,000)</u> |
| | | <u>£ 447,484</u> | <u>£ 385,872</u> |
| Capital and Reserves | | | |
| Called up share capital | 10 | 100 | 100 |
| Profit and loss account | 11 | <u>447,384</u> | <u>385,772</u> |
| Shareholders' Funds | 12 | <u>£ 447,484</u> | <u>£ 385,872</u> |

In preparing these financial statements:

- Advantage has been taken of the special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985, and
- In the directors' opinion the company is entitled to these exemptions as a small company.

The financial statements were approved by the Board on 7 June 1995.

B R Lambden.....
Director

P D Lambden.....
Director

Studiospares Limited

Notes to the Financial Statements for the year ended 28 February 1995

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and include the results of the company's operations as indicated in the directors' report, all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents amounts receivable for goods and services provided in the UK net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

| | | |
|-------------------------------------|---|--------------------------------|
| Land and buildings | - | Straight line over fifty years |
| Fixtures, fittings and equipment | - | 20% Straight line |
| Motor vehicles | - | 20% Straight line |

1.4 Stock

Stock is valued at the lower of cost and net realisable value.

1.5 Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

2. Operating Profit

| | 1995 £ | 1994 £ |
|--------------------------------------------|-----------|-----------|
| Operating profit is stated after charging: | | |
| Depreciation of tangible assets | 17,904 | 17,731 |
| Auditors' remuneration | 3,300 | 3,200 |
| Directors' emoluments | 53,675 | 46,240 |

Studiospares Limited

Notes to the Financial Statements for the year ended 28 February 1995

| | | | |
|----|----------------------------------------------|--------------|--------------|
| 3. | Other Interest Receivable and Similar Income | 1995 £ | 1994 £ |
| | Bank interest received | <u>2,823</u> | <u>2,068</u> |

| | | | |
|----|------------------------------------------|-----------------|-----------------|
| 4. | Taxation | 1995 £ | 1994 £ |
| | U.K. Current year taxation | | |
| | U.K. Corporation tax at 25% (1994 - 25%) | 21,540 | 16,100 |
| | Prior years | | |
| | U.K. Corporation tax | 75 | 8,808 |
| | | <u>£ 21,615</u> | <u>£ 24,908</u> |

| | | | | | |
|----|---------------------|---------------------------------|-------------------------|-------------------|------------------|
| 5. | Tangible Assets | | | | |
| | | Land and Fixtures, buildings | Fittings & equipment | Motor vehicles | Total |
| | | £ | £ | £ | £ |
| | Cost | | | | |
| | At 1 March 1994 | 659,523 | 64,798 | 29,900 | 754,221 |
| | Additions | - | 5,188 | - | 5,188 |
| | At 28 February 1995 | <u>659,523</u> | <u>69,986</u> | <u>29,900</u> | <u>759,409</u> |
| | Depreciation | | | | |
| | At 1 March 1994 | 52,764 | 54,353 | 5,980 | 113,097 |
| | Charge for year | 8,794 | 3,130 | 5,980 | 17,904 |
| | At 28 February 1995 | <u>61,558</u> | <u>57,483</u> | <u>11,960</u> | <u>131,001</u> |
| | Net book values | | | | |
| | At 28 February 1995 | <u>£ 597,965</u> | <u>£ 12,503</u> | <u>£ 17,940</u> | <u>£ 628,408</u> |
| | At 28 February 1994 | <u>£ 606,759</u> | <u>£ 10,444</u> | <u>£ 23,920</u> | <u>£ 641,123</u> |

| | | | |
|----|---------------|------------------|------------------|
| 6. | Debtors | 1995 £ | 1994 £ |
| | Trade debtors | 121,779 | 118,513 |
| | Others | 1,759 | - |
| | | <u>£ 123,538</u> | <u>£ 118,513</u> |

Studiospares Limited

Notes to the Financial Statements for the year ended 28 February 1995

| | | |
|---------------------------------------------------|------------------|------------------|
| 7. Creditors: amounts falling due within one year | 1995 £ | 1994 £ |
| Bank loans and overdrafts | 10,163 | - |
| Trade creditors | 337,975 | 383,009 |
| Taxation and social security | 21,827 | 40,649 |
| Other creditors | 60,339 | 43,591 |
| | <u>£ 430,304</u> | <u>£ 467,249</u> |

| | | |
|------------------------------------------------------------|---------------|---------------|
| 8. Creditors: amounts falling due after more than one year | 1995 £ | 1994 £ |
| Loans (from director) | | |
| Wholly repayable within five years | <u>80,689</u> | <u>80,589</u> |

9. Provisions for Liabilities and Charges

Deferred tax is provided at 25% (1994 - 25%) analysed over the following timing differences:

| | | |
|--------------------------|-------------------|-----------------|
| | Fully Provided | |
| | 1995 £ | 1994 £ |
| Other timing differences | 68,000 | 68,000 |
| | <u>£ 68,000</u> | <u>£ 68,000</u> |

| | | |
|------------------------------------|------------|------------|
| 10. Share Capital | 1995 £ | 1994 £ |
| Authorised | | |
| 100 Ordinary shares of £1 each | <u>100</u> | <u>100</u> |
| Allotted, called up and fully paid | | |
| 100 Ordinary shares of £1 each | <u>100</u> | <u>100</u> |

Studiospares Limited

Notes to the Financial Statements for the year ended 28 February 1995

11. Profit And Loss Account

| | 1995 £ | 1994 £ |
|--------------------------------------|------------------|------------------|
| Retained profits at 1 March 1994 | 385,673 | 347,355 |
| Retained profit for the year | 61,711 | 38,417 |
| Retained profits at 28 February 1995 | <u>£ 447,384</u> | <u>£ 385,772</u> |

12. Reconciliation of Movements in Shareholders' Funds

| | 1995 £ | 1994 £ |
|-------------------------------|------------------|------------------|
| Profit for the financial year | 61,711 | 38,417 |
| Opening shareholders' funds | 385,872 | 347,455 |
| Closing shareholders' funds | <u>£ 447,484</u> | <u>£ 385,872</u> |