

Company Registration No. 2503356

Goldcrest Investment Holdings Limited

Report and Financial Statements

31 December 2004



Goldcrest Investment Holdings Limited

Report and financial statements 2004

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Goldcrest Investment Holdings Limited

Report and financial statements 2004

Officers and professional advisers

Directors

J Quested
N Quested

Secretary

BH Company Secretarial Services

Registered office

235 Old Marylebone Road
London
NW1 5QT

Bankers

Coutts & Co
440 The Strand
London
WC2R 0QS

Solicitors

Marriott Harrison
12 Great James Street
London WC1N 3DR

Charles Russell
8/10 New Fetter Lane
London EC4A 1RS

Auditors

Deloitte & Touche LLP
Chartered Accountants
London

Goldcrest Investment Holdings Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2004.

Principal activities

The company is the ultimate parent company of the Goldcrest Group which is involved principally in producing, financing, marketing and distributing feature films and television programmes.

Business review and future prospects

The profit after taxation for the year amounted to £308,000 (2003 – £320,000).

The directors do not recommend the payment of a dividend for the year (2003 – £nil).

The directors intend to take every opportunity to develop the business.

Directors

The directors who served throughout the year were:

J Quested (Chairman)

N Quested

Directors' interests

The directors' interests in the share capital of the company are as follows:

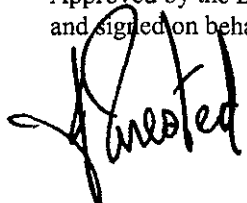
	Ordinary shares of £1 each	
	31 December 2004	1 January 2004
J Quested	<u>42,500</u>	<u>42,500</u>

The director does not have any interests in the share capital of any other group company. No other director had any interests in the share capital of the company, or any other group company, at either 31 December 2004 or 1 January 2004 or during the year.

Auditors

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



J Quested

Chairman

13/10/2005

Goldcrest Investment Holdings Limited

Statement of directors' responsibilities

United Kingdom 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 as at the end of the financial year 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; and
- 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 the system of internal control and safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of Goldcrest Investment Holdings Limited

We have audited the financial statements of Goldcrest Investment Holdings Limited for the year ended 31 December 2004 which comprise the profit and loss account, the balance sheet, cash flow statement and the related notes 1 to 24. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 affairs of the company at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.


Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London

17 October 2005

Goldcrest Investment Holdings Limited

Profit and loss account Year ended 31 December 2004

	Note	2004 £'000	2003 £'000
Administrative expenses		(653)	(547)
Other operating income	2	<u>948</u>	<u>917</u>
Operating profit		295	370
Other interest receivable and similar income		1	-
Interest payable and similar charges	5	<u>(3)</u>	<u>(11)</u>
Profit on ordinary activities before taxation	6	293	359
Tax credit/(charge) on profit on ordinary activities	7	<u>15</u>	<u>(39)</u>
Profit on ordinary activities after taxation	19	<u>308</u>	<u>320</u>

A statement of total recognised gains and losses is not included in these accounts as there are no recognised gains or losses in either the current financial year or the previous financial year other than the results reported above.

There have been no movements on reserves or shareholders' funds other than the results for the current and preceding financial year and, accordingly, no reconciliation of movements in shareholders' funds has been given.

All activities derive from continuing operations.

Goldcrest Investment Holdings Limited

Balance sheet 31 December 2004

	Note	£'000	2004 £'000	£'000	2003 £'000
Fixed assets					
Tangible assets	8		7,319		7,504
Investments	9		11,393		11,393
			<u>18,712</u>		<u>18,897</u>
Current assets					
Debtors					
- due within one year	10	1,750		1,071	
- due after one year	10	626		626	
Cash at bank and in hand		170		59	
		<u>2,546</u>		<u>1,756</u>	
Creditors: amounts falling due within one year	11	<u>(11,408)</u>		<u>(11,115)</u>	
Net current liabilities			<u>(8,862)</u>		<u>(9,359)</u>
Total assets less current liabilities			9,850		9,538
Creditors: amounts falling due after more than one year	12		(8,000)		(8,000)
Provisions for liabilities and charges	16		<u>(57)</u>		<u>(53)</u>
			<u>1,793</u>		<u>1,485</u>
Capital and reserves					
Called up share capital	17		42		42
Share premium account	18		166		166
Profit and loss account	19		1,585		1,277
Equity shareholders' funds			<u>1,793</u>		<u>1,485</u>

These financial statements were approved by the Board of Directors on
Signed on behalf of the Board of Directors

J Quesada
Chairman

13/10/ 2005.

Goldcrest Investment Holdings Limited

Cash flow statement Year ended 31 December 2004

	Note	2004 £'000	2003 £'000
Net cash inflow from operating activities	20	238	748
Returns on investments and servicing of finance	21	(2)	(11)
Taxation	21	-	(9)
Capital expenditure and financial investment	21	-	(560)
Cash outflow before use of financing		236	168
Financing	21	(125)	(200)
Increase/(decrease) in cash in the year		111	(32)
Reconciliation of net cash flow to movement in net funds (Note 21)			
	£'000	2004 £'000	2003 £'000
Increase/(decrease) in cash in the year	111		(32)
Changes in net funds resulting from cash flows		111	(32)
Net funds brought forward		59	91
Net funds carried forward		170	59

Goldcrest Investment Holdings Limited

Notes to the accounts

Year ended 31 December 2004

1. Accounting policies

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below and have been applied consistently throughout the current and preceding year.

Accounting convention

The financial statements are prepared under the historical cost convention.

Fixed asset investments

Investments are stated at cost less provision for impairment.

Depreciation

Depreciation is charged on fixed assets at the following rates per annum which are designed to write off their costs over their estimated useful lives.

Freehold property 2%

Long leases and leasehold improvements are amortised over their lease terms which range from 25 to 50 years.

Operating leases

Rentals payable under operating leases are charged to the profit and loss account as incurred.

Deferred tax

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax is not provided on unremitted earnings where there is no binding commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Group accounts

The company is exempt from the requirement to prepare group accounts as it qualifies as the parent company of a medium sized group under Section 248 of the Companies Act 1985. Accordingly, these financial statements represent information about the individual company and not about its group.

2. Other operating income

Other operating income comprises rental income.

3. Segmental information

The company has only one class of business, being letting of property, and one geographical location.

4. Directors' emoluments

No director received any emoluments from the company during either the current or preceding year. The company had no other employees during the current or preceding financial years other than the directors.

Goldcrest Investment Holdings Limited

Notes to the accounts Year ended 31 December 2004

5. Interest payable and similar charges

	2004 £'000	2003 £'000
Interest payable on bank loans	3	11

6. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2004 £'000	2003 £'000
Auditors' remuneration - audit fees	8	8
- other fees	2	2
Operating lease rentals – property	110	110
Depreciation	185	178

7. Tax on profit on ordinary activities

(i) Analysis of tax charge on ordinary activities

	2004 £'000	2003 £'000
United Kingdom corporation tax at 30% (2003 - 30 %)		
based on the profit for the period	(8)	(23)
Adjustment in respect of prior year	26	-
	18	(23)
Deferred tax		
Timing differences, origination and reversal	(3)	(19)
Adjustment in respect of prior years	-	3
	15	(39)

Goldcrest Investment Holdings Limited

Notes to the accounts

Year ended 31 December 2004

7. Tax on profit on ordinary activities (continued)

(ii) Factors affecting tax charge for the current year

The tax assessed for the year is higher than that resulting from applying the standard rate of corporation tax in the UK 30% (2003 – 30%).

The differences are explained below:

	2004 £'000	2003 £'000
Profit on ordinary activities before tax	293	359
Tax at 30% thereon (2003 – 30%)	(88)	(108)
Effects of:		
Expenses not deductible for tax purposes	(46)	(34)
Capital allowances in excess of depreciation	3	19
Rate differences on current tax	-	2
Group relief	123	98
Prior period adjustments	26	-
Current tax charge for period	18	(23)

8. Tangible fixed assets

	Freehold property £'000	Long leasehold property £'000	Leasehold improve- ments £'000	Total £'000
Cost				
At 1 January 004 and 31 December 2004	4,314	2,805	1,719	8,838
Depreciation				
At 1 January 004	384	616	334	1,334
Charge for the year	87	56	42	185
At 31 December 2004	471	672	376	1,519
Net book value				
At 31 December 2004	3,843	2,133	1,343	7,319
At 31 December 2003	3,930	2,189	1,385	7,504

Goldcrest Investment Holdings Limited

Notes to the accounts Year ended 31 December 2004

9. Fixed asset investments

	Shares in subsidiary undertakings £'000
Cost and net book value	
At 1 January 004 and 31 December 2004	11,393

The company's principal subsidiary undertakings, all of which are involved in the production and exploitation of films as set out below, are incorporated in Great Britain and are wholly owned (unless otherwise stated):

Subsidiary company

Goldcrest Group Limited
 Goldcrest Films and Television (Holdings) Limited
 Goldcrest Films and Television Limited
Goldcrest Films International Limited
 Goldcrest Animation Limited
 Goldcrest Post Production Facilities Limited
 Goldcrest Post Productions Limited (incorporated and operates in
 USA with a 30 September year end)

All are owned indirectly with the exception of:

Goldcrest Group Limited
 Goldcrest Post Production Facilities Limited
Goldcrest Films International Limited
 Goldcrest Post Productions Limited

10. Debtors

	2004 £'000	2003 £'000
Trade debtors	42	87
Amounts owed by subsidiary undertakings	1,667	929
Prepayments and accrued income	41	55
	<u>1,750</u>	<u>1,071</u>
Amounts falling due after more than one year:		
Amounts owed by subsidiary undertakings	<u>626</u>	<u>626</u>

Goldcrest Investment Holdings Limited

Notes to the accounts

Year ended 31 December 2004

11. Creditors: amounts falling due within one year

	2004 £'000	2003 £'000
Bank loan falling due within one year (see note 14)	-	125
Trade creditors	81	98
Amounts owed to subsidiary undertakings	11,235	10,726
UK corporation tax	9	28
Accruals	10	65
Deferred Income	73	73
	<u>11,408</u>	<u>11,115</u>

12. Creditors: amounts falling due after more than one year

	2004 £'000	2003 £'000
Loan stock (see note 13)	8,000	8,000
	<u>8,000</u>	<u>8,000</u>

13. Loan stock

The loan stock was created on 28 September 1995 and was issued at par to Goldcrest Films and Television Limited on that date. This was subsequently transferred to Goldcrest Group Limited as at 31 December 2001. The stock is unsecured and redeemable at par on 20 June 2010, subject to the provisions of the company's bank loan agreement.

	£'000
Balance at 1 January 004 and 31 December 2004	<u>8,000</u>

14. Bank loan

The bank loan of £125,000 was repaid during the year. It was secured by a fixed mortgage on freehold property at 65/66 Dean Street, London, and bore interest at 2% above the bank's base rate.

Unlimited cross guarantees have been given by the company and its subsidiary undertaking, Goldcrest Post Production Facilities Limited, to secure all liabilities of each other.

Goldcrest Investment Holdings Limited

Notes to the accounts Year ended 31 December 2004

15. Obligations under operating leases

The following payments are committed to be paid during the coming year in respect of operating leases:

	Land and buildings	
	2004	2003
	£'000	£'000
Expiring:		
Within one year	-	-
Between one and five years	-	-
In more than five years	110	110
	<u>110</u>	<u>110</u>

16. Provisions for liabilities and charges

	2004	2003
	£'000	£'000
Deferred tax		
Opening balance at 1 January	53	37
Current year charge	4	16
	<u>57</u>	<u>53</u>
Closing balance at 31 December 2004		

The amount of deferred tax provided in the financial statements and the potential amounts not provided are as follows:

	Provided		Unprovided	
	2004	2003	2004	2003
	£'000	£'000	£'000	£'000
Capital allowances in excess of depreciation	<u>57</u>	<u>53</u>	<u>-</u>	<u>-</u>

17. Called up share capital

	2004	2003
	£'000	£'000
Authorised:		
50,000 ordinary shares of £1 each	<u>50</u>	<u>50</u>
Called up, allotted and fully paid:		
42,500 ordinary shares of £1 each	<u>42</u>	<u>42</u>

18. Share premium account

	£'000
At 1 January 004 and 31 December 2004	<u>166</u>

Goldcrest Investment Holdings Limited

Notes to the accounts

Year ended 31 December 2004

19. Profit and loss account

	2004 £'000	2003 £'000
At 1 January	1,277	957
Profit for the financial year	308	320
At 31 December	<u>1,585</u>	<u>1,277</u>

20. Reconciliation of operating profit to net cash inflow from operating activities

	2004 £'000	2003 £'000
Operating profit	295	370
Depreciation	185	178
Profit on sale of fixed assets	-	-
Increase in debtors	(679)	(429)
Increase in creditors	437	629
Net cash inflow from operating activities	<u>238</u>	<u>748</u>

21. Analysis of cashflows for headings netted in the cash flow statement

	2004 £'000	2003 £'000
Returns on investments and servicing of finance		
Interest received	1	-
Interest paid	(3)	(11)
	<u>(2)</u>	<u>(11)</u>
Taxation		
Tax paid	-	(9)
	<u>-</u>	<u>(9)</u>
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	-	(560)
	<u>-</u>	<u>(560)</u>
Financing		
Repayment of borrowing	(125)	(200)
	<u>(125)</u>	<u>(200)</u>

22. Analysis of net funds

	2003 £'000	Cash flow £'000	2003 £'000
Net cash inflow from operating activities	<u>59</u>	<u>111</u>	<u>170</u>

Goldcrest Investment Holdings Limited

Notes to the accounts

Year ended 31 December 2004

23. Related party transactions

During the year the company undertook the following transactions with related parties:

The company charged its subsidiary undertakings, Goldcrest Post Production Facilities Limited and Goldcrest Films International Limited, £642,550 (2003 – £526,550) and £90,250 (2003 – £103,250) respectively for the provision of group services.

The company received £513,000 (2003 – £455,000) from Goldcrest Films International Limited and received £437,000 (2003 – £370,000) from Goldcrest Post Production Facilities Limited respectively for the provision of group services.

As at 31 December, the company had the following material balances with related parties:

	2004 £'000	2003 £'000
Amounts owed by other group undertakings:		
Goldcrest Post Production Facilities Limited	583	326
Goldcrest Films International Limited	626	626
Goldcrest Post Productions Limited	1,084	603
Total	<u>2,293</u>	<u>1,555</u>
Amounts owed to other group undertakings:		
Goldcrest Films International Limited	3,372	2,863
Goldcrest Group Limited	7,863	7,863
Total	<u>11,235</u>	<u>10,726</u>

24. Ultimate controlling party

The ultimate controlling party is J. Quested by virtue of his 100% ownership of Goldcrest Investment Holdings Limited.