

COMPANY NO: 3308521

MARC NEWSON LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2000

CONTENTS:

Pages 1 and 2	:	Directors' Report
Page 3	:	Auditors' Report
Page 4	:	Profit and Loss Account
Page 5	:	Balance Sheet
Pages 6 to 8	:	Notes on the Accounts
Page 9	:	Statement of Other Operating Charges



MARC NEWSON LIMITED**REPORT OF THE DIRECTORS**

The Directors submit their Report and Accounts for the year ended 31st December 2000.

STATEMENT OF 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 year. In preparing those financial statements, the Directors are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements 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 of fraud and other irregularities.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of marketing and design consultants.

RESULTS AND DIVIDENDS

The trading profit for the year, after taxation, amounts to £223,203

The Directors do not recommend the payment of a dividend.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Company is continuing a policy of business expansion and the Directors are optimistic that the next accounting period will be a profitable one.

FIXED ASSETS

The movements in Fixed Assets are set out in Note 4 to the Accounts.

MARC NEWSON LIMITED**REPORT OF THE DIRECTORS (Continued)****DIRECTORS**

The Directors of the Company who have served during the year, together with details of their interests in the shares of the Company, are as shown below:-

	<u>Ordinary Shares of £1 Each</u>	
	<u>2000</u>	<u>1999</u>
Marc Newson	65	65
Benjamin De Haan	35	19

BY ORDER OF THE BOARD**DIRECTOR**

112 Jermyn Street
LONDON SW1Y 6LS

Dated: 5th June 2001

AUDITORS' REPORT**TO THE MEMBERS OF MARC NEWSON LIMITED**

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Directors' Report, 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 adjustments 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.

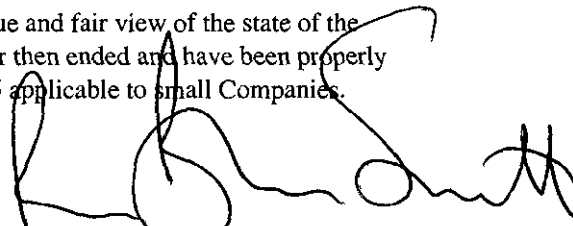
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

The Accounts have been prepared on a going concern basis, the validity of which depends on the continued support of the creditors. The financial statements do not include any adjustments that would arise from a failure to obtain funding. Details of the circumstances relating to this fundamental uncertainty are described in Note 1. Our opinion is not qualified in this respect.

OPINION

Subject to the above, in our opinion, the financial statements give a true and fair view of the state of the Company's affairs at 31st December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the provision of the Companies Act 1985 applicable to small Companies.

112 Jermyn Street
LONDON SW1Y 6LS



ROSS, BENNET-SMITH
Registered Auditors and
Chartered Accountants

Dated: 5th June 2001

MARC NEWSON LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2000

	<u>Note</u>	<u>2000</u>	<u>1999</u>
		<u>£</u>	<u>£</u>
<u>TURNOVER</u>	1	1,107,654	711,525
Cost of Sales		247,121	133,329
		860,533	578,196
Salaries		332,754	234,595
Depreciation		19,850	21,429
Other Operating Charges		246,440	261,895
		599,044	517,919
<u>OPERATING PROFIT</u>	2	261,489	60,277
Interest Receivable		5,214	469
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		266,703	60,746
Taxation	3	43,500	10,242
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>		223,203	50,504
Dividend		-	50,000
		223,203	504
Retained Earnings Brought Forward		29,005	28,501
<u>RETAINED EARNINGS CARRIED FORWARD</u>		252,208	29,005

MARC NEWSON LIMITED**NOTES ON THE ACCOUNTS****FOR THE YEAR ENDED 31ST DECEMBER 2000****1 a) Accounting Convention**

The Accounts are prepared under the historical cost convention.

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.

b) Turnover

This is the amount receivable for the year, net of Value Added Tax, for services provided.

c) Depreciation

The following fixed assets are depreciated to write off the cost on a reducing balance basis at the rates indicated:-

	<u>Annual Rate</u>
Fixtures & Fittings	20%
Computer Equipment	20%
Moulds	20%

2	<u>OPERATING PROFIT</u>	<u>2000</u>	<u>1999</u>
		<u>£</u>	<u>£</u>
	Operating Profit is after accounting for:		
	Audit Fees	1,500	1,500
		<u> </u>	<u> </u>
3	<u>TAXATION</u>		
	UK Corporation Tax on results for the year	43,500	10,950
	Overprovision in respect of previous year	-	708
		<u> </u>	<u> </u>
		43,500	10,242
		<u> </u>	<u> </u>

MARC NEWSON LIMITED**NOTES ON THE ACCOUNTS (Continued)****FOR THE YEAR ENDED 31ST DECEMBER 2000**

4	<u>FIXED ASSETS</u>	Computer	Fixtures and Fittings	Moulds	Total
		Equipment			
	<u>Cost</u>	£	£	£	£
	At beginning of year	50,569	99,400	8,000	157,969
	Additions	14,417	-	-	14,417
	At end of year	64,986	99,400	8,000	172,386
	<u>Depreciation</u>				
	At beginning of year	13,549	48,507	3,904	65,960
	Charge for year	8,854	10,177	819	19,850
	At end of year	22,403	58,684	4,423	85,810
	<u>Net Book Value</u>				
	At beginning of year	37,020	50,893	4,096	92,009
	At end of year	42,583	40,716	3,277	86,576
5	<u>DEBTORS</u>	<u>2000</u>	<u>1999</u>		
		£	£		
	Trade Debtors	267,765	139,688		
	Other Debtors	-	1,146		
		267,765	140,834		

MARC NEWSON LIMITED**NOTES ON THE ACCOUNTS (Continued)****FOR THE YEAR ENDED 31ST DECEMBER 2000**

6	<u>CREDITORS: Amounts Falling Due</u>	<u>2000</u>	<u>1999</u>
	<u>Within One Year:</u>	<u>£</u>	<u>£</u>
	Bank Overdraft	22,768	36,147
	Trade Creditors	158,362	8,363
	Current Corporation Tax	43,500	10,950
	Other Taxes & Social Security Charges	39,647	8,490
	Accruals	15,605	4,676
	Directors' Current Accounts	1,753	50,000
		281,635	118,626
7	<u>CREDITORS: Amounts Falling Due</u>		
	<u>After More Than One Year:</u>		
	Bank Loan	1,537	25,659
	Directors' Loan	-	81,561
		1,537	107,220
8	<u>SHARE CAPITAL</u>		
	<u>Authorised</u>		
	1,000 Ordinary Shares of £1 each	1,000	1,000
	<u>Issued & Fully Paid</u>		
	100 Ordinary Shares at £1 each	100	100

MARC NEWSON LIMITED
STATEMENT OF OTHER OPERATING CHARGES
FOR THE YEAR ENDED 31ST DECEMBER 2000

	<u>2000</u> <u>£</u>	<u>1999</u> <u>£</u>
Rent, Rates & Insurance	41,707	29,888
Motor, Travel & Entertaining	137,133	128,913
Telephone & Fax	19,713	22,461
Postage, Stationary & Carriage	22,133	25,635
General Expenses	1,263	3,264
Audit & Accountancy	4,750	4,000
Legal & Professional	6,602	29,355
Repairs & Maintenance	14,214	17,768
Bank Charges & Interest	3,105	3,673
Exchange Differences	(4,180)	6,938
	246,440	261,895