

COMPANY NO: 3308521

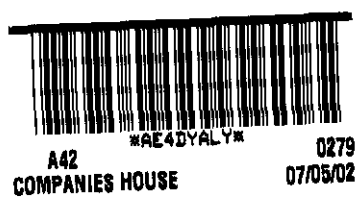
MARC NEWSON LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2001

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MARC NEWSON LIMITED**REPORT OF THE DIRECTORS**

The Directors submit their Report and Accounts for the year ended 31st December 2001.

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 loss for the year, after taxation, amounts to £38,151
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>2001</u>	<u>2000</u>
Marc Newson	65	65
Benjamin De Haan	35	35

BY ORDER OF THE BOARD**DIRECTOR**

112 Jermyn Street
LONDON SW1Y 6LS

Dated: 7th March 2002

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.

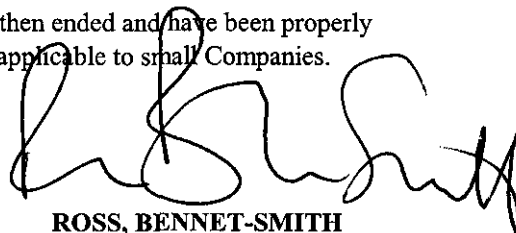
The Accounts have been prepared on a going concern basis, the validity of which depends on the continued support of the creditors. The financial statements do not include any adjustments that would arise from a failure to obtain funding. Details of the circumstances relating to this fundamental uncertainty 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 2001 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

Dated: 7th March 2002



ROSS, BENNET-SMITH
Registered Auditors and
Chartered Accountants

MARC NEWSON LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST DECEMBER 2001**

	<u>Note</u>	<u>2001</u>	<u>2000</u>
		<u>£</u>	<u>£</u>
<u>TURNOVER</u>	1	1,012,374	1,107,654
Cost of Sales		169,365	247,121
		843,009	860,533
Salaries		419,439	332,754
Depreciation		15,255	19,850
Other Operating Charges		438,403	246,440
		873,097	599,044
<u>OPERATING (LOSS)/PROFIT</u>	2	(30,088)	261,489
Interest Receivable		2,968	5,214
Interest Payable		(1,531)	-
		1,437	5,214
<u>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		(28,651)	266,703
Taxation	3	9,500	43,500
<u>(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>		(38,151)	223,203
Retained Earnings Brought Forward		252,208	29,005
<u>RETAINED EARNINGS CARRIED FORWARD</u>		214,057	252,208

MARC NEWSON LIMITED**BALANCE SHEET****AS AT 31ST DECEMBER 2001**

	<u>Note</u>	<u>2001</u>	<u>2000</u>
		£	£
<u>FIXED ASSETS</u>	4	103,602	86,576
<u>CURRENT ASSETS</u>			
Debtors	5	138,119	267,765
Cash at Bank and in Hand		65,266	181,139
		<u>203,385</u>	<u>448,904</u>
<u>CREDITORS</u>			
Amounts Falling Due Within One Year	6	88,201	281,635
		<u>115,184</u>	<u>167,269</u>
<u>NET CURRENT ASSETS</u>			
		<u>218,786</u>	<u>253,845</u>
<u>NET ASSETS</u>		<u>218,786</u>	<u>253,845</u>
<u>Represented by:-</u>			
Creditors: Amounts falling due after more than one year	7	4,629	1,537
Share Capital	8	100	100
Profit and Loss Account		214,057	252,208
		<u>218,786</u>	<u>253,845</u>



.....
DIRECTOR

MARC NEWSON LIMITED**NOTES ON THE ACCOUNTS****FOR THE YEAR ENDED 31ST DECEMBER 2001****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>2001</u>	<u>2000</u>
	<u>£</u>	<u>£</u>
Operating Profit is after accounting for:		
Audit Fees	1,500	1,500
3 <u>TAXATION</u>		
UK Corporation Tax on results for the year	-	43,500
Underprovision in respect of previous year	9,500	-
	9,500	43,500

MARC NEWSON LIMITED**NOTES ON THE ACCOUNTS (Continued)****FOR THE YEAR ENDED 31ST DECEMBER 2001**

4	<u>FIXED ASSETS</u>	Computer	Fixtures and	<u>Moulds</u>	<u>Total</u>
		<u>Equipment</u>	<u>Fittings</u>		
	<u>Cost</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
	At beginning of year	64,985	99,400	8,000	172,385
	Additions	32,281	-	-	32,281
	At end of year	97,266	99,400	8,000	204,666
	<u>Depreciation</u>				
	At beginning of year	22,402	58,684	4,723	85,809
	Charge for year	6,457	8,143	655	15,255
	At end of year	28,859	66,827	5,378	101,064
	<u>Net Book Value</u>				
	At beginning of year	42,583	40,716	3,277	86,576
	At end of year	68,407	32,573	2,622	103,602
5	<u>DEBTORS</u>	<u>2001</u>		<u>2000</u>	
		<u>£</u>		<u>£</u>	
	Trade Debtors	132,576		267,765	
	Other Debtors	5,543		-	
		138,119		267,765	

MARC NEWSON LIMITED**NOTES ON THE ACCOUNTS (Continued)****FOR THE YEAR ENDED 31ST DECEMBER 2001**

6	<u>CREDITORS: Amounts Falling Due</u> <u>Within One Year:</u>	<u>2001</u>	<u>2000</u>
		<u>£</u>	<u>£</u>
	Bank Overdraft	27,697	22,768
	Trade Creditors	8,362	158,362
	Current Corporation Tax	-	43,500
	Other Taxes & Social Security Charges	25,412	39,647
	Accruals	4,500	15,605
	Directors' Current Accounts	5,289	1,753
	Other Creditors	16,941	-
		88,201	281,635
7	<u>CREDITORS: Amounts Falling Due</u> <u>After More Than One Year:</u>		
	Bank Loan	4,629	1,537
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