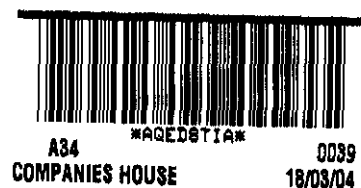


**INSIGHT MOVING IMAGES LTD**  
**FINANCIAL STATEMENTS**  
**FOR**  
**30TH JUNE 2003**

**MAXWELLS**

Chartered Accountants  
in association with Bailey, Page & Roper  
93 Banks Road  
West Kirby  
Wirral  
CH48 0RB



# **INSIGHT MOVING IMAGES LTD**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 30TH JUNE 2003**

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**INSIGHT MOVING IMAGES LTD****THE DIRECTORS' REPORT****YEAR ENDED 30TH JUNE 2003**

The directors present their report and the unaudited financial statements of the company for the year ended 30th June 2003.

**PRINCIPAL ACTIVITIES**

The principal activity of the company during the year was the production of videos for marketing, training and associated activities.

**THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY**

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

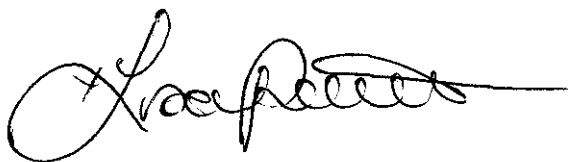
|              | Ordinary Shares of £1 each |                   |
|--------------|----------------------------|-------------------|
|              | At<br>30 June 2003         | At<br>1 July 2002 |
| K.T. Newman  | 50                         | 50                |
| L.J. Roberts | <u>50</u>                  | <u>50</u>         |

**SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:  
336A Woodchurch Road  
Prenton  
Wirral  
CH42 8PQ

Signed by order of the directors



MS LISA J ROBERTS  
Company Secretary

Approved by the directors on 16/3/04

**INSIGHT MOVING IMAGES LTD****PROFIT AND LOSS ACCOUNT****YEAR ENDED 30TH JUNE 2003**

|                                                      | Note | 2003<br>£       | 2002<br>£       |
|------------------------------------------------------|------|-----------------|-----------------|
| <b>TURNOVER</b>                                      |      | 80,188          | 80,971          |
| Cost of sales                                        |      | <u>19,993</u>   | <u>18,354</u>   |
| <b>GROSS PROFIT</b>                                  |      | 60,195          | 62,617          |
| Distribution costs                                   |      | 2,740           | 2,770           |
| Administrative expenses                              |      | 45,287          | 59,280          |
| Other operating income                               |      | <u>—</u>        | <u>(1,040)</u>  |
| <b>OPERATING PROFIT</b>                              | 2    | 12,168          | 1,607           |
| Interest receivable                                  |      | 3               | —               |
| Interest payable and similar charges                 |      | <u>(542)</u>    | <u>(11)</u>     |
| <b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |      | 11,629          | 1,596           |
| Tax on profit on ordinary activities                 | 4    | <u>—</u>        | <u>—</u>        |
| <b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>        |      | 11,629          | 1,596           |
| Balance brought forward                              |      | <u>(21,276)</u> | <u>(22,872)</u> |
| Balance carried forward                              |      | <u>(9,647)</u>  | <u>(21,276)</u> |

## INSIGHT MOVING IMAGES LTD

## BALANCE SHEET

30TH JUNE 2003

|                                                                | Note | 2003<br>£     | £               | 2002<br>£     | £               |
|----------------------------------------------------------------|------|---------------|-----------------|---------------|-----------------|
| <b>FIXED ASSETS</b>                                            |      |               |                 |               |                 |
| Tangible assets                                                | 5    |               | 3,670           |               | 5,245           |
| <b>CURRENT ASSETS</b>                                          |      |               |                 |               |                 |
| Stocks                                                         |      | 1,182         |                 | 1,070         |                 |
| Debtors                                                        | 6    | 8,343         |                 | 1,575         |                 |
| Cash at bank                                                   |      | —             |                 | 274           |                 |
|                                                                |      | <u>9,525</u>  |                 | <u>2,919</u>  |                 |
| <b>CREDITORS: Amounts falling due within one year</b>          | 7    | <u>21,542</u> |                 | <u>23,538</u> |                 |
| <b>NET CURRENT LIABILITIES</b>                                 |      |               | <u>(12,017)</u> |               | <u>(20,619)</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |      |               | <u>(8,347)</u>  |               | <u>(15,374)</u> |
| <b>CREDITORS: Amounts falling due after more than one year</b> | 8    |               | <u>1,200</u>    |               | <u>5,802</u>    |
|                                                                |      |               | <u>(9,547)</u>  |               | <u>(21,176)</u> |

The Balance sheet continues on the following page.

The notes on pages 5 to 7 form part of these financial statements.

**INSIGHT MOVING IMAGES LTD****BALANCE SHEET** *(continued)***30TH JUNE 2003**

|                                | Note | 2003<br>£             | 2002<br>£              |
|--------------------------------|------|-----------------------|------------------------|
| <b>CAPITAL AND RESERVES</b>    |      |                       |                        |
| Called-up equity share capital | 11   | 100                   | 100                    |
| Profit and loss account        |      | <u>(9,647)</u>        | <u>(21,276)</u>        |
| <b>DEFICIENCY</b>              |      | <u><u>(9,547)</u></u> | <u><u>(21,176)</u></u> |

The directors are 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 directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing 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 financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 16/3/04 and are signed on their behalf by:

  
L.J. ROBERTS

**INSIGHT MOVING IMAGES LTD****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30TH JUNE 2003****1. ACCOUNTING POLICIES****Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

**Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, 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:

|                     |                     |
|---------------------|---------------------|
| Fixtures & Fittings | - 25% straight line |
| Equipment           | - 20% straight line |

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**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.

**2. OPERATING PROFIT**

Operating profit is stated after charging/(crediting):

|                                    | 2003         | 2002         |
|------------------------------------|--------------|--------------|
|                                    | £            | £            |
| Directors' emoluments              | 17,813       | 20,280       |
| Depreciation of owned fixed assets | <u>4,020</u> | <u>4,359</u> |

**3. DIRECTORS' EMOLUMENTS**

The directors' aggregate emoluments in respect of qualifying services were:

|                      | 2003         | 2002       |
|----------------------|--------------|------------|
|                      | £            | £          |
| Aggregate emoluments | <u>2,721</u> | <u>---</u> |

**4. TAX ON PROFIT ON ORDINARY ACTIVITIES**

There is no corporation tax for the year due to losses brought forward.

**INSIGHT MOVING IMAGES LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30TH JUNE 2003**

**5. TANGIBLE FIXED ASSETS**

|                          | Fixtures &<br>Fittings<br>£ | Equipment<br>£ | Total<br>£    |
|--------------------------|-----------------------------|----------------|---------------|
| <b>COST</b>              |                             |                |               |
| At 1st July 2002         | 1,998                       | 19,279         | 21,277        |
| Additions                | 1,532                       | 913            | 2,445         |
| <b>At 30th June 2003</b> | <b>3,530</b>                | <b>20,192</b>  | <b>23,722</b> |
| <b>DEPRECIATION</b>      |                             |                |               |
| At 1st July 2002         | 1,997                       | 14,035         | 16,032        |
| Charge for the year      | 383                         | 3,637          | 4,020         |
| <b>At 30th June 2003</b> | <b>2,380</b>                | <b>17,672</b>  | <b>20,052</b> |
| <b>NET BOOK VALUE</b>    |                             |                |               |
| <b>At 30th June 2003</b> | <b>1,150</b>                | <b>2,520</b>   | <b>3,670</b>  |
| At 30th June 2002        | 1                           | 5,244          | 5,245         |

**6. DEBTORS**

|                                 | 2003<br>£    | 2002<br>£    |
|---------------------------------|--------------|--------------|
| Trade debtors                   | 6,539        | 1,247        |
| Directors current account - LJR | 1,354        | —            |
| Prepayments and accrued income  | 450          | 328          |
|                                 | <b>8,343</b> | <b>1,575</b> |

**7. CREDITORS: Amounts falling due within one year**

|                                                         | 2003<br>£     | 2002<br>£     |
|---------------------------------------------------------|---------------|---------------|
| Bank loans and overdrafts                               | 1,356         | —             |
| Trade creditors                                         | 4,172         | 2,225         |
| Other creditors including taxation and social security: |               |               |
| PAYE and social security                                | 1,535         | 2,351         |
| VAT                                                     | 1,958         | 1,787         |
| Directors current account - KTN                         | 9,721         | 14,001        |
| Other creditors                                         | 1,600         | —             |
| Accruals and deferred income                            | 1,200         | 3,174         |
|                                                         | <b>16,014</b> | <b>21,313</b> |
|                                                         | <b>21,542</b> | <b>23,538</b> |

**8. CREDITORS: Amounts falling due after more than one year**

|                 | 2003<br>£ | 2002<br>£ |
|-----------------|-----------|-----------|
| Other creditors | 1,200     | 5,802     |

**INSIGHT MOVING IMAGES LTD****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30TH JUNE 2003****9. TRANSACTIONS WITH THE DIRECTORS**

Included within debtors is £1,354 due from Miss LJ Roberts, a director. This amount is also the maximum amount outstanding during the year. The loan has no fixed repayment and does not attract interest.

**10. RELATED PARTY TRANSACTIONS**

The company was under the control of Mr KT Newman and Miss LJ Roberts throughout the current period. Mr KT Newman and Miss LJ Roberts are the managing directors and controlling shareholders. In other creditors is an amount of £1,600 falling due within one year and £1,200 falling due after more than one year that relates to loans made to the Company by family members of both directors.

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

|                                  | 2003         | 2002         |
|----------------------------------|--------------|--------------|
|                                  | £            | £            |
| 1,000 Ordinary shares of £1 each | <u>1,000</u> | <u>1,000</u> |

**Allotted, called up and fully paid:**

|                            | 2003       |            | 2002       |            |
|----------------------------|------------|------------|------------|------------|
|                            | No         | £          | No         | £          |
| Ordinary shares of £1 each | <u>100</u> | <u>100</u> | <u>100</u> | <u>100</u> |