

COMPANY REGISTRATION NUMBER 3586821

INSIGHT MOVING IMAGES LTD
FINANCIAL STATEMENTS
FOR
30TH JUNE 2004

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 2004

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INSIGHT MOVING IMAGES LTD**THE DIRECTORS' REPORT****YEAR ENDED 30TH JUNE 2004**

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 30th June 2004.

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 THE 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 30 June 2004	At 1 July 2003
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 22-11-04

INSIGHT MOVING IMAGES LTD
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30TH JUNE 2004

	Note	2004 £	2003 £
TURNOVER		122,473	80,188
Cost of sales		<u>20,390</u>	<u>19,993</u>
GROSS PROFIT		102,083	60,195
Distribution costs		2,283	2,740
Administrative expenses		<u>61,638</u>	<u>45,287</u>
OPERATING PROFIT	2	38,162	12,168
Interest receivable		15	3
Interest payable and similar charges		<u>(194)</u>	<u>(542)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		37,983	11,629
Tax on profit on ordinary activities	4	<u>4,018</u>	<u>—</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		33,965	11,629
Equity dividends paid		2,000	—
RETAINED PROFIT FOR THE FINANCIAL YEAR		31,965	11,629
Balance brought forward		<u>(9,647)</u>	<u>(21,276)</u>
Balance carried forward		<u>22,318</u>	<u>(9,647)</u>

INSIGHT MOVING IMAGES LTD**BALANCE SHEET****30TH JUNE 2004**

	Note	2004 £	£	2003 £	£
FIXED ASSETS					
Tangible assets	5		8,267		3,670
CURRENT ASSETS					
Stocks		578		1,182	
Debtors	6	36,321		8,343	
Cash at bank		<u>2,254</u>		<u>—</u>	
		39,153		9,525	
CREDITORS: Amounts falling due within one year	7	<u>25,002</u>		<u>21,542</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>14,151</u>		<u>(12,017)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>22,418</u>		<u>(8,347)</u>
CREDITORS: Amounts falling due after more than one year	8		<u>—</u>		<u>1,200</u>
			<u>22,418</u>		<u>(9,547)</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 2004**

	Note	2004 £	2003 £
CAPITAL AND RESERVES			
Called-up equity share capital	10	100	100
Profit and loss account		<u>22,318</u>	<u>(9,647)</u>
SHAREHOLDERS' FUNDS/(DEFICIENCY)		<u>22,418</u>	<u>(9,547)</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 22-11-04 and are signed on their behalf by:

+ 
K.T. NEWMAN

+ 
L.J. ROBERTS

INSIGHT MOVING IMAGES LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH JUNE 2004

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:

	2004	2003
	£	£
Directors' emoluments	33,022	17,813
Depreciation of owned fixed assets	<u>3,162</u>	<u>4,020</u>

3. DIRECTORS' EMOLUMENTS

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

	2004	2003
	£	£
Aggregate emoluments	<u>5,560</u>	<u>2,721</u>

INSIGHT MOVING IMAGES LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH JUNE 2004

4. TAXATION ON ORDINARY ACTIVITIES

	2004 £	2003 £
Current tax:		
UK Corporation tax based on the results for the year at 19% (2003 - -%)	4,018	—
Total current tax	<u>4,018</u>	<u>—</u>

5. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Equipment £	Total £
COST			
At 1st July 2003	3,530	20,192	23,722
Additions	—	7,759	7,759
At 30th June 2004	<u>3,530</u>	<u>27,951</u>	<u>31,481</u>
DEPRECIATION			
At 1st July 2003	2,380	17,672	20,052
Charge for the year	383	2,779	3,162
At 30th June 2004	<u>2,763</u>	<u>20,451</u>	<u>23,214</u>
NET BOOK VALUE			
At 30th June 2004	<u>767</u>	<u>7,500</u>	<u>8,267</u>
At 30th June 2003	<u>1,150</u>	<u>2,520</u>	<u>3,670</u>

6. DEBTORS

	2004 £	2003 £
Trade debtors	34,295	6,539
Other debtors	1,354	—
Directors current account - LJR	—	1,354
Prepayments and accrued income	672	450
	<u>36,321</u>	<u>8,343</u>

INSIGHT MOVING IMAGES LTD**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30TH JUNE 2004****7. CREDITORS: Amounts falling due within one year**

	2004		2003	
	£	£	£	£
Bank loans and overdrafts		—		1,356
Trade creditors		1,224		4,172
Other creditors including taxation and social security:				
Corporation tax	4,018		—	
PAYE and social security	1,241		1,535	
VAT	7,572		1,958	
Directors current account - KTN	9,721		9,721	
Other creditors	1,226		1,600	
Accruals and deferred income	—		1,200	
		<u>23,778</u>		<u>16,014</u>
		<u>25,002</u>		<u>21,542</u>

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

	2004		2003	
	£	£	£	£
Other creditors		—		<u>1,200</u>

9. 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 £1,200 falling due within one year that relates to a loan made to the Company by a family member of a director.

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

	2004	2003
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

INSIGHT MOVING IMAGES LTD
MANAGEMENT INFORMATION
YEAR ENDED 30TH JUNE 2004

The following pages do not form part of the statutory financial statements.

INSIGHT MOVING IMAGES LTD

**ACCOUNTANTS' REPORT TO THE DIRECTORS OF INSIGHT MOVING
IMAGES LTD**

YEAR ENDED 30TH JUNE 2004

As described on the balance sheet, the directors of the company are responsible for the preparation of the financial statements for the year ended 30th June 2004, set out on pages 2 to 7 .

You consider that the company is exempt from an audit under the Companies Act 1985.

In accordance with your instructions we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

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

MAXWELLS
Chartered Accountants

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INSIGHT MOVING IMAGES LTD**DETAILED PROFIT AND LOSS ACCOUNT****YEAR ENDED 30TH JUNE 2004**

	2004		2003
	£	£	£
TURNOVER		122,473	80,188
COST OF SALES			
Opening stock - raw materials	1,182		1,070
Purchases - general	568		20,105
Purchases - production costs	4,376		—
Purchases - video tapes	4,026		—
Purchases - voice copy	6,467		—
Purchases - voice overs	3,539		—
Purchases - video sleeves	810		—
	<u>20,968</u>		<u>21,175</u>
Closing stock - raw materials	(578)		(1,182)
		<u>20,390</u>	<u>19,993</u>
GROSS PROFIT		102,083	60,195
OVERHEADS			
Advertising	2,283		2,740
Administrative expenses	<u>61,638</u>		<u>45,287</u>
		<u>63,921</u>	<u>48,027</u>
OPERATING PROFIT		38,162	12,168
Bank interest receivable		<u>15</u>	<u>3</u>
		38,177	12,171
Interest payable and similar charges		<u>(194)</u>	<u>(542)</u>
PROFIT ON ORDINARY ACTIVITIES		<u>37,983</u>	<u>11,629</u>

INSIGHT MOVING IMAGES LTD**NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT****YEAR ENDED 30TH JUNE 2004**

	2004		2003	
	£	£	£	£
ADMINISTRATIVE EXPENSES				
Personnel costs				
Directors salaries	27,462		15,092	
Directors national insurance contributions	3,138		460	
Administrative staff salaries	<u>454</u>		<u>8,877</u>	
		31,054		24,429
Establishment expenses				
Rent	4,000		4,000	
Rates and water	1,044		1,122	
Light and heat	776		580	
Insurance	1,990		1,932	
Repairs and maintenance (allowable)	<u>1,074</u>		<u>646</u>	
		8,884		8,280
General expenses				
Motor expenses	938		800	
Travel and subsistence	128		250	
Vehicle leasing charges	1,356		1,051	
Telephone	2,210		2,318	
Printing & Stationery	1,720		981	
Hire of equipment	829		37	
Equipment repairs and maintenance	3,987		—	
Postage	797		721	
Sundry expenses	371		457	
Donations	25		—	
Legal and professional fees	105		—	
Accountancy fees	2,965		600	
Depreciation of fixtures and fittings	383		383	
Depreciation of office equipment	<u>2,779</u>		<u>3,637</u>	
		18,593		11,235
Financial costs				
Bad debts written off	2,455		383	
Bank charges	<u>652</u>		<u>960</u>	
		3,107		1,343
		<u>61,638</u>		<u>45,287</u>
INTEREST RECEIVABLE				
Bank interest receivable		<u>15</u>		<u>3</u>
INTEREST PAYABLE AND SIMILAR CHARGES				
Bank interest payable		194		238
VAT Surcharge		—		304
		<u>194</u>		<u>542</u>