

REGISTER
Company No. 4005921
SIGN & RETURN

AUDIENCE LIMITED
REPORT AND UNAUDITED ACCOUNTS
YEAR ENDED 30TH JUNE 2002



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ANNUAL REPORT AND ACCOUNTS - 30TH JUNE 2002

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AUDIENCE LIMITED

DIRECTORS AND OTHER INFORMATION

DIRECTORS:

A Craske
D Shickle
G Ridgway

SECRETARY:

J Saunders

REGISTERED OFFICE:

Bridge House
Restmor Way
Wallington
Surrey
SM6 7AH

COMPANY NUMBER:

4005921

AUDIENCE LIMITED

REPORT OF THE DIRECTORS

The directors submit their report and the accounts for the year ended 30th June 2002.

PRINCIPAL ACTIVITY

The principal activity of the company is that of a retailer of consumer electronics.

DIRECTORS AND INTERESTS IN SHARES

The directors of the company during the year and their beneficial interest in the company's shares (including family interests) at the beginning and end of the year were as follows:

	No. of ordinary £1 shares	
	At 30th June 2002	At 1st July 2001
A Craske	1	1
D Shickle	1	1
G Ridgway	1	1

No rights to subscribe for shares or debentures of the entity were granted or exercised during the year.

There have been no changes in directors since the balance sheet date.

DIRECTORS' RESPONSIBILITIES

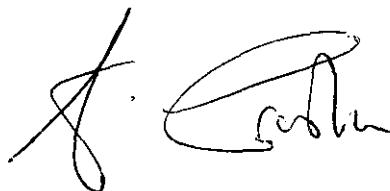
Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on a 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 accounts 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 and detection of fraud and other irregularities.

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD



A Craske
Director

Approved by the board on 10th March 2003

AUDIENCE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH JUNE 2002

	Notes	Year to 30th June 2002 £	1st June 2000 to 30th June 2001 £
TURNOVER	2	99,628	27,697
Cost of sales		(71,667)	(25,752)
GROSS PROFIT		27,961	1,945
Distribution costs		(31,382)	(32,337)
Administrative expenses		(43,636)	(11,071)
OPERATING LOSS	3	(47,057)	(41,463)
Interest receivable		182	184
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(46,875)	(41,279)
TAXATION on loss on ordinary activities	5	4,155	4,128
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION AND FOR THE FINANCIAL YEAR		(42,720)	(37,151)
ACCUMULATED LOSS as at 1st July 2001			
As previously stated		(41,279)	-
Prior year adjustment	6	4,128	-
		(37,151)	-
ACCUMULATED LOSS as at 30th June 2002		£(79,871)	£(37,151)

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial periods.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the results shown for the above two financial periods and therefore no separate statement of total recognised gains and losses has been presented.

AUDIENCE LIMITED

BALANCE SHEET AS AT 30TH JUNE 2002

	Notes	2002 £	2001 £
FIXED ASSETS			
Tangible assets	7	32,791	712
CURRENT ASSETS			
Stock		34,242	1,110
Debtors	8	22,553	4,694
Cash at bank		13,299	44,492
		<u>70,094</u>	<u>50,296</u>
CREDITORS: amounts falling due within one year	9	(182,753)	(88,156)
		<u></u>	<u></u>
NET CURRENT LIABILITIES		(112,659)	(37,860)
		<u></u>	<u></u>
TOTAL ASSETS LESS CURRENT LIABILITIES AND NET LIABILITIES		£(79,868)	£(37,148)
		<u></u>	<u></u>
Represented by:			
CAPITAL AND RESERVES			
Share capital- equity interests	11	3	3
Profit and loss account		(79,871)	(37,151)
		<u></u>	<u></u>
SHAREHOLDERS' FUNDS	12	£(79,868)	£(37,148)
		<u></u>	<u></u>

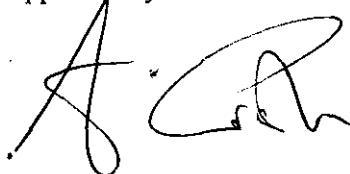
For the year ending 30th June 2002 the company was entitled to exemption from audit under subsection (1) of section 249A of the Companies Act 1985. No notice has been deposited under section 249B of the Act in relation to the accounts for the financial year.

The directors acknowledge their responsibility as directors for:

- (1) ensuring that the company keeps accounting records which comply with s221 of the Act; and
- (2) preparing accounts 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 s226 of the Act, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board on 10th March 2003 and signed on its behalf:



A Craske
Director

1. ACCOUNTING POLICIES

a. Basis of preparing the financial statements:

The accounts are prepared on a going concern basis. The directors consider this to be appropriate in light of their continued support as major loan creditors to the company.

b. Cash flows:

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to produce such a statement under Financial Reporting Standard 1 "Cash Flow Statements".

c. Depreciation:

Depreciation is calculated so as to write off the cost of tangible fixed assets over their expected useful economic lives. The annual rates used in these accounts are:

Office equipment	- 25% straight line
Fixtures and fittings	- 25% straight line
Leasehold improvements	- over term of lease straight line

d. Deferred taxation:

In accordance with Financial Reporting Standard 19, deferred taxation is provided under the liability method in respect of all timing differences between the profits as computed for taxation purposes and the profits as stated in the accounts.

e. Stocks:

Stocks are valued at the lower of cost and net realisable value.

f. Turnover:

Turnover represents net invoiced sales of goods and services, excluding VAT.

g. Operating leases:

Rentals applicable to operating leases are charged against profits on a straight line basis over the period of the lease.

2. TURNOVER

Turnover and operating loss are attributable to the one principal activity of the company, which arose wholly in the United Kingdom.

3. OPERATING LOSS

	2002	2001
	£	£
Is stated after charging:		
Depreciation - all owned	7,451	238
Operating lease rentals - land and buildings	13,697	-

4. DIRECTORS' EMOLUMENTS

Directors' emoluments for the year, for services other than as directors, totalled £ 22,977 (2001: £ 29,676).

5. TAXATION

	2002 £	2001 £
Current tax charge being UK Corporation		
Tax based on profits for the year (see below)	-	-
Provision for deferred taxation	(4,155)	(4,128)
	<u> </u>	<u> </u>
	£(4,155)	£(4,128)
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

The standard rate of current tax for the year, based on UK standard rates of Corporation Tax is 10% (2001 – 10%). The current tax charge is more than 10% (2001 was more than 10%) for the reasons set out in the following reconciliation:

Loss on ordinary activities before tax	(46,875)	(41,279)
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
Tax on loss on ordinary activities at the standard rate	(4,687)	(4,128)
Capital allowances for year in excess of depreciation	(206)	(32)
Disallowables	532	-
Losses carried forward for future relief	4,361	4,160
	<u> </u>	<u> </u>
Current tax charge for year	£ -	£ -
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

6. PRIOR YEAR ADJUSTMENT

This adjustment is required to account for deferred taxation in the accounts in compliance with Financial Reporting Standard 19.

NOTES TO THE ACCOUNTS - 30TH JUNE 2002

7. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Total £
COST:				
Balance as at 1st July 2001	-	-	950	950
Additions	24,912	13,421	1,197	39,530
	<u>24,912</u>	<u>13,421</u>	<u>2,147</u>	<u>40,480</u>
DEPRECIATION:				
Balance as at 1st July 2001	-	-	238	238
Charge for the year	3,559	3,355	537	7,451
	<u>3,559</u>	<u>3,355</u>	<u>775</u>	<u>7,689</u>
Balance as at 30th June 2002	3,559	3,355	775	7,689
NET BOOK VALUE:				
At 30th June 2002	£ 21,353	£ 10,066	£ 1,372	£ 32,791
	<u>£ 21,353</u>	<u>£ 10,066</u>	<u>£ 1,372</u>	<u>£ 32,791</u>
At 30th June 2001	£ -	£ -	£ 712	£ 712
	<u>£ -</u>	<u>£ -</u>	<u>£ 712</u>	<u>£ 712</u>

	2002 £	2001 £
8. DEBTORS		
Trade debtors	8,085	510
Others	6,185	56
Deferred taxation asset (see note 10)	8,283	4,128
	<u>£ 22,553</u>	<u>£ 4,694</u>
9. CREDITORS: Amounts falling due within one year:		
Taxation and social security costs	1,086	565
Others	181,667	87,591
	<u>£ 182,753</u>	<u>£ 88,156</u>

Included in other creditors are shareholders loans totalling £ 168,217 (2001: £ 84,997).

AUDIENCE LIMITED

NOTES TO THE ACCOUNTS - 30TH JUNE 2002

10. PROVISIONS FOR LIABILITIES AND CHARGES

	2002 £	2001 £
Deferred taxation:		
Balance at 1st July 2001	(4,128)	-
Tax credit to profit and loss account	(4,155)	(4,128)
Balance at 30th June 2002	£(8,283)	£(4,128)
The balance on deferred taxation comprises:		
Capital allowances in excess of depreciation charged	237	32
Losses for future relief	(8,520)	(4,160)
Deferred tax asset	£(8,283)	£(4,128)

The deferred tax assets are shown in debtors (refer to note 8).

11. SHARE CAPITAL

Authorised:		
1,000 Ordinary shares of £1 each	£ 1,000	£ 1,000
Allotted, called up and fully paid:		
3 Ordinary shares of £1 each	£ 3	£ 3

12. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

Loss for the financial period after taxation	(42,720)	(37,151)
New share capital	-	3
	(42,720)	(37,148)
Opening shareholders' funds		
At 1st July 2001, as restated	(37,148)	-
Closing shareholders' funds		
at 30th June 2002	£(79,868)	£(37,148)

NOTES TO THE ACCOUNTS - 30TH JUNE 2002

13. COMMITMENTS

Capital commitments:

There was no capital expenditure on fixed assets contracted at the year end but not provided for in the accounts, nor any amounts authorised by the directors but not contracted for.

Operating lease commitments:

At 30th June 2002 the company had annual commitments under operating leases as set out below:

	Land and buildings	
	2002	2001
	£	£
Operating leases which expire:		
After five years	18,000	-