Company No. 4005921

AUDIENCE LIMITED

REPORT AND UNAUDITED ACCOUNTS

YEAR ENDED 30TH JUNE 2003



LD6 0455
COMPANIES HOUSE 29/04/04

AUDIENCE LIMITED

CONTENTS

ANNUAL REPORT AND ACCOUNTS - 30TH JUNE 2003

	PAGE NO.
Directors and other information	1.
Report of the Directors	2.
Accounts, comprising:	
Profit and Loss Account	3.
Balance Sheet	4.
Notes to the Accounts	5. to 9.

The following page does not form part of the statutory accounts:

Detailed Profit and Loss Account	10.

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 2003.

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 2003	At 1st July 2002
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.

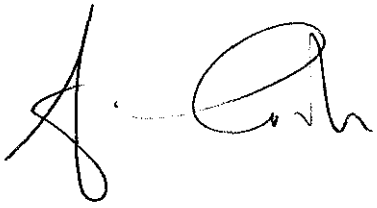
DIRECTORS' RESPONSIBILITIES
Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those accounts, the directors are required to:

- 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 27th April 2004

AUDIENCE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH JUNE 2003

	Notes	2003 £	2002 £
TURNOVER	2	211,912	99,628
Cost of sales		(163,555)	(71,667)
GROSS PROFIT		48,357	27,961
Distribution costs		(17,160)	(31,382)
Administrative expenses		(42,738)	(43,636)
OPERATING LOSS	3	(11,541)	(47,057)
Interest receivable		98	182
Interest payable		(13)	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(11,456)	(46,875)
TAXATION on loss on ordinary activities	5	790	4,155
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION AND FOR THE FINANCIAL YEAR		(10,666)	(42,720)
ACCUMULATED LOSS as at 1st July 2002		(79,871)	(37,151)
ACCUMULATED LOSS as at 30th June 2003		£(90,537)	£(79,871)

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

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

AUDIENCE LIMITED

BALANCE SHEET AS AT 30TH JUNE 2003

	Notes	2003		2002	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6		26,252		32,791
CURRENT ASSETS					
Stocks		44,893		34,242	
Debtors	7	18,300		22,553	
Cash at bank		9,027		13,299	
		72,220		70,094	
CREDITORS: amounts falling due within one year	8	(189,006)		(182,753)	
NET CURRENT LIABILITIES			(116,786)		(112,659)
TOTAL ASSETS LESS CURRENT LIABILITIES AND NET LIABILITIES			£(90,534)		£(79,868)
Represented by:					
CAPITAL AND RESERVES					
Share capital- equity interests	10		3		3
Profit and loss account			(90,537)		(79,871)
SHAREHOLDERS' FUNDS	11		£(90,534)		£(79,868)

For the year ending 30th June 2003 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.

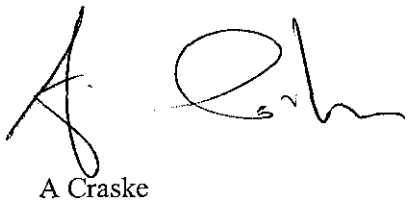
The directors acknowledge their responsibility as directors for:

(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 27th April 2004 and signed on its behalf:



A Craske
Director

NOTES TO THE ACCOUNTS - 30TH JUNE 2003

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, without discounting.

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 PROFIT/(LOSS)

	2003	2002
	£	£
Is stated after charging:		
Depreciation - all owned	7,754	7,451
Operating lease rentals - land and buildings	13,697	13,697

4. DIRECTORS' EMOLUMENTS
Directors' emoluments for the year, for services other than as directors, totalled £7,119 (2002: £ 22,977).

NOTES TO THE ACCOUNTS - 30TH JUNE 2003

5. TAXATION

	2003 £	2002 £
Current tax charge being UK Corporation Tax based on profits for the year (see below)	-	-
Provision for deferred taxation	(790)	(4,155)
	£(790)	£(4,155)

The standard rate of current tax for the year, based on UK standard rates of Corporation Tax is 10% (2002 – 10%). The current tax charge is more than 10% (2002 was more than 10%) for the reasons set out in the following reconciliation:

Loss on ordinary activities before tax	(11,456)	(46,875)
Tax on loss on ordinary activities at the standard rate	(1,146)	(4,687)
Depreciation in excess of capital allowances for the year (2002: capital allowances in excess of depreciation)	78	(206)
Disallowables	356	532
Losses incurred for future relief	712	4,361
Current tax charge for year	£ -	£ -

NOTES TO THE ACCOUNTS - 30TH JUNE 2003

6. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Total £
COST:				
Balance as at 1st July 2002	24,912	13,421	2,147	40,480
Additions	-	-	1,215	1,215
Balance as at 30th June 2003	24,912	13,421	3,362	41,695
DEPRECIATION:				
Balance as at 1st July 2002	3,559	3,355	775	7,689
Charge for the year	3,559	3,355	840	7,754
Balance as at 30th June 2003	7,118	6,710	1,615	15,443
NET BOOK VALUE:				
At 30th June 2003	£ 17,794	£ 6,711	£ 1,747	£ 26,252
At 30th June 2002	£ 21,353	£ 10,066	£ 1,372	£ 32,791

	2003 £	2002 £
7. DEBTORS		
Trade debtors	464	8,085
Others	8,763	6,185
Deferred taxation asset (see note 9)	9,073	8,283
	£ 18,300	£ 22,553
8. CREDITORS: Amounts falling due within one year:		
Taxation and social security costs	1,103	1,086
Others	187,903	181,667
	£ 189,006	£ 182,753

Included in other creditors are shareholders loans totalling £156,017 (2002: £168,217).

NOTES TO THE ACCOUNTS - 30TH JUNE 2003

9. PROVISIONS FOR LIABILITIES AND CHARGES	2003 £	2002 £
Deferred taxation:		
Balance at 1st July 2002	(8,283)	(4,128)
Tax credit to profit and loss account	(790)	(4,155)
Balance at 30th June 2003	£(9,073)	£(8,283)
The balance on deferred taxation comprises:		
Capital allowances in excess of depreciation charged	159	237
Losses for future relief	(9,232)	(8,520)
Deferred tax asset	£(9,073)	£(8,283)

The deferred tax assets are shown in debtors (refer to note 7).

10. 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

11. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

Loss for the financial year after taxation	(10,666)	(42,720)
Opening shareholders' funds At 1st July 2002	(79,868)	(37,148)
Closing shareholders' funds at 30th June 2003	£(90,534)	£(79,868)

12. 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 2003 the company had annual commitments under operating leases as set out below:

	Land and buildings	
	2003	2002
	£	£
Operating leases which expire:		
After five years	18,000	18,000