

Company Registration No 2843219 (England and Wales)

**SECOND SIGHT FILMS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2007**



# SECOND SIGHT FILMS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	S R Sparks C G Holden M Easton
<b>Secretary</b>	C G Holden
<b>Company number</b>	2843219
<b>Registered office</b>	29/30 Fitzroy Square London W1T 6LQ
<b>Auditors</b>	Goodman Jones LLP 29/30 Fitzroy Square London W1T 6LQ
<b>Business address</b>	16 Connaught Road Teddington TW11 0PS
<b>Bankers</b>	National Westminster Bank Plc 25 King Street Twickenham Middlesex TW1 3SU

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# **SECOND SIGHT FILMS LIMITED**

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# SECOND SIGHT FILMS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 JANUARY 2007

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The directors present their report and financial statements for the year ended 31 January 2007

#### Principal activities

The principal activity of the company is the distribution of DVDs

#### Directors

The following directors have held office since 1 February 2006

S R Sparks

C G Holden

M Easton

#### Directors' interests

The directors' interests in the shares of the company were as stated below

	Ordinary shares of £1 each	
	31 January 2007	1 February 2006
C G Holden	300	300
S R Sparks	300	300
M Easton	120	120

#### Financial Instruments

The company uses financial instruments comprising various net working capital items such as trade debtors and trade creditors to finance its operations not funded by way of equity. The main risk identified with using these financial instruments is the management of cashflow.

#### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Goodman Jones LLP be reappointed as auditors of the company will be put to the Annual General Meeting.

# SECOND SIGHT FILMS LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 JANUARY 2007**

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### **Directors' responsibilities**

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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 period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates 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 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 and detection of fraud and other irregularities.

### **Statement of disclosure to auditor**

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

On behalf of the board



Date

29/6/07

# **SECOND SIGHT FILMS LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE SHAREHOLDERS OF SECOND SIGHT FILMS LIMITED**

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We have audited the financial statements of Second Sight Films Limited on pages 5 to 11 for the year ended 31 January 2007. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the directors and auditors**

As described in the statement of directors' responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgements 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.

# SECOND SIGHT FILMS LIMITED

## INDEPENDENT AUDITORS' REPORT

### TO THE SHAREHOLDERS OF SECOND SIGHT FILMS LIMITED

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#### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 January 2007 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985

In our opinion the information given in the directors' report is consistent with the financial statements



Goodman Jones LLP

Chartered Accountants

Registered Auditor

11 July 2007

29/30 Fitzroy Square  
London  
W1T 6LQ

## SECOND SIGHT FILMS LIMITED

### PROFIT AND LOSS ACCOUNT

**FOR THE YEAR ENDED 31 JANUARY 2007**

	Notes	2007 £	2006 £
Turnover		1,407,627	1,479,286
Cost of sales		(835,605)	(849,167)
Gross profit		572,022	630,119
Administrative expenses		(216,086)	(306,921)
Operating profit	2	355,936	323,198
Other interest receivable and similar income	3	16,753	19,743
Profit on ordinary activities before taxation		372,689	342,941
Tax on profit on ordinary activities	4	(81,171)	(71,454)
Profit for the year		291,518	271,487

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account



# SECOND SIGHT FILMS LIMITED

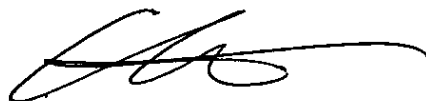
## BALANCE SHEET

AS AT 31 JANUARY 2007

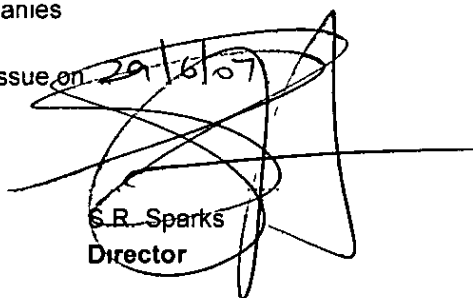
	Notes	2007 £	£	2006 £	£
<b>Fixed assets</b>					
Tangible assets	6		2,603		2,983
<b>Current assets</b>					
Stocks		293,414		147,238	
Debtors	7	272,512		385,747	
Cash at bank and in hand		402,911		416,596	
		<u>968,837</u>		<u>949,581</u>	
<b>Creditors amounts falling due within one year</b>	8	<u>(324,058)</u>		<u>(396,700)</u>	
<b>Net current assets</b>			<u>644,779</u>		<u>552,881</u>
<b>Total assets less current liabilities</b>			<u>647,382</u>		<u>555,864</u>
<b>Capital and reserves</b>					
Called up share capital	10		800		800
Share premium account			9,800		9,800
Profit and loss account			636,782		545,264
<b>Shareholders' funds</b>	12		<u>647,382</u>		<u>555,864</u>

These financial statements 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 and authorised for issue on 29/6/07



C G Holden  
Director



S.R. Sparks  
Director

# SECOND SIGHT FILMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2007

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention

#### 1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

#### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Fixtures, fittings & equipment                      25% Reducing balance

#### 1.4 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value

#### 1.5 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable

#### 1.6 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

2	Operating profit	2007 £	2006 £
	Operating profit is stated after charging		
	Depreciation of tangible assets	868	994
	Loss on disposal of tangible assets	-	2,388
	Auditors' remuneration	7,000	6,000
	Directors' emoluments	126,195	204,104

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2006 - 2)

3	Investment income	2007 £	2006 £
	Bank interest	16,522	19,743
	Other interest	231	-

# SECOND SIGHT FILMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2007

<b>4</b>	<b>Taxation</b>	<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U K corporation tax	81,171	71,990
	<b>Current tax charge</b>	81,171	71,990
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	-	(536)
		81,171	71,454
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	372,689	342,941
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2006 - 30.00%)	111,807	102,882
	Effects of		
	Non deductible expenses	396	214
	Depreciation add back	260	1,015
	Capital allowances	(322)	(380)
	Other tax adjustments	(30,970)	(31,741)
		(30,636)	(30,892)
	<b>Current tax charge</b>	81,171	71,990
<b>5</b>	<b>Dividends</b>	<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
	Ordinary interim paid	200,000	200,000

# SECOND SIGHT FILMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2007

### 6 Tangible fixed assets

	Plant and machinery etc
	£
<b>Cost</b>	
At 1 February 2006	6,282
Additions	488
	<hr/>
At 31 January 2007	6,770
	<hr/>
<b>Depreciation</b>	
At 1 February 2006	3,299
Charge for the year	868
	<hr/>
At 31 January 2007	4,167
	<hr/>
<b>Net book value</b>	
At 31 January 2007	2,603
	<hr/>
At 31 January 2006	2,983
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7 Debtors	2007 £	2006 £
Trade debtors	272,512	362,390
Other debtors	-	23,357
	<hr/>	<hr/>
	272,512	385,747
	<hr/>	<hr/>

## SECOND SIGHT FILMS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2007

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8	Creditors' amounts falling due within one year	2007 £	2006 £
	Trade creditors	86,961	81,717
	Corporation tax	81,171	71,990
	Other taxes and social security costs	56,423	134,490
	Directors' current accounts	8,688	-
	Other creditors	31,217	520
	Accruals and deferred income	59,598	107,983
		<u>324,058</u>	<u>396,700</u>

#### 9 Pension costs

##### Defined contribution

	2007 £	2006 £
Contributions payable by the company for the year	<u>5,100</u>	<u>4,800</u>

10	Share capital	2007 £	2006 £
	<b>Authorised</b>		
	1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	<b>Allotted, called up and fully paid</b>		
	800 Ordinary shares of £1 each	<u>800</u>	<u>800</u>

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# SECOND SIGHT FILMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2007

### 11 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 February 2006	9,800	545,264
Profit for the year	-	291,518
Dividends paid	-	(200,000)
Balance at 31 January 2007	<u>9,800</u>	<u>636,782</u>

### 12 Reconciliation of movements in shareholders' funds

	2007 £	2006 £
Profit for the financial year	291,518	271,487
Dividends	(200,000)	(200,000)
Net addition to shareholders' funds	<u>91,518</u>	<u>71,487</u>
Opening shareholders' funds	555,864	484,377
Closing shareholders' funds	<u>647,382</u>	<u>555,864</u>

### 13 Transactions with directors

	Amount outstanding 2007 £	2006 £	Maximum in year £
Director's current account (debit bal)	<u>-</u>	<u>12,536</u>	<u>12,536</u>

The director's overdrawn loan account was repaid on 23 February 2006

Purchases of £33,922 (2006 £28,382) were made from company controlled by M D Easton All transactions were at arms length

### 14 Control

The company is under the control of C G Holden and S R Sparks