

First Artist Corporation plc

REPORT AND FINANCIAL STATEMENTS

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First Artist Corporation plc

DIRECTORS AND ADVISERS

DIRECTORS

Alex Johnston, aged 40, Non-Executive Chairman

Alex Johnston is a founding director of Freud Communications, the UK's largest consumer PR agency where he was creative director for many years. He remains active on a number of international consumer brands for large multinationals such as PepsiCo and Unilever. Over the last few years, Alex has diversified his interests into other areas of marketing (particularly using internet and mobile networks) and early-stage consumer goods businesses.

Jon Smith, aged 52, Chief Executive

Jon Smith founded the business carried on by First Artist in 1986.

Jon is a Fellow of the Institute of Directors, and is one of only a handful of football agents in the world licensed to perform not only football transfers but also to stage global events under the auspices of FIFA worldwide.

He is responsible for staging many of Britain's biggest sporting events, including the UK visits of the major US sporting bodies, the N.F.L, N.B.A. and the N.H.L. Jon was also C.E.O. of The London Monarchs during their inaugural World Bowl winning season at Wembley. He is one of the recognised spokespersons for the UK sports industry and has raised over £12 million in various forms for sport in the UK over the last few years.

Jon is a patron of the British Stammering Association and trustee of the Lee Smith Research Foundation

Phil Smith, aged 45, Chief Operating Officer

Phil has been at First Artist since 1992, redefining and redeveloping its football management activities. Phil manages the football players' day-to-day activities and works with the Company's marketing and wealth management teams to exploit the commercial activities and maximise earnings of the clients he represents.

Personal management in this high profit business is of considerable value to the clients and Phil personally oversees the roster of management and international players such as Jesper Gronkjaer, Mikael Forssell, Mark Fish and Shaun Bartlett, as well as establishing players in the U.K. such as Kevin Phillips, Lee Hendrie, Paul Dickov, Darren Huckerby, Nigel Quashie and Hermann Hreidarsson.

Phil also started a personality media division comprising clients such as Andy Gray, Andy Townsend, Martin Tyler and Alan Parry.

Richard Hughes, FCMA, aged 41, Finance Director

Richard Hughes joined First Artist in the spring of 2004 having spent the last 20 years in marketing communications, event management and hospitality businesses. He has a raft of commercial, change management and acquisition experience as Finance Director of Fully listed and Private expanding companies.

Vincenzo Morabito, aged 44, Executive Director

Vincenzo Morabito is a highly experienced FIFA registered player agent based in Italy who is also very active in the UK and Scandinavia. He was initially a public relations manager for an international company based in Sweden and in 1989 he joined ISP, a sports company, as director of their football department. In 1992 he left to become director of Scanditalia, a football agency operating in Sweden, and in 1997 he co-founded FIMO Sport Promotion AG. His responsibilities include being the Director responsible for the Italian subsidiary Promosport srl and working actively on transfers of players worldwide.

First Artist Corporation plc

DIRECTORS AND ADVISERS

SECRETARY

Richard Hughes

REGISTERED OFFICE

87 Wembley Hill Road
Wembley
Middlesex HA9 8BV

NOMINATED ADVISER AND BROKER

Shore Capital and Corporate Limited
&
Shore Capital Stockbrokers Limited
Bond Street House
14 Clifford Street
London W1S 4JU

AUDITORS

Baker Tilly
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

BANKERS

Allied Irish Bank (GB)
12 Old Jewry
London EC2R 8DP

SOLICITORS

S J Berwin
222 Grays Inn Road
London WC1X 8XF

REGISTRARS

Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

First Artist Corporation plc

CHAIRMAN'S STATEMENT

In my interim report for the six months to 30 April 2004, I stated that following a profitable January we forecast an upturn in the 2004 summer trading window and an improvement in the contribution from the European markets. We are pleased to announce that this confidence has been well placed and the Group has returned to trading profitability before exceptional administrative expenses and goodwill amortisation for the year to 31 October 2004.

The continuing Group made a profit before exceptional costs of £57,000 (2003: Loss £2,019,000), a significant turnaround from the previous period, underlining the positive steps taken by the Board to restructure the business cost base in 2003.

Comparing this year to the same 12-month period to October 2003, Sales increased 29%, Gross profit 16% and overheads have reduced by 32%

As previously reported we closed the First Artist Snooker Academy in May and are also closing the FIMO Geneva office. We continue to maintain strong management controls of cash and costs with direct expenditure focussed on strengthening and developing the core business.

The Group as a whole made an operating loss before interest and tax and goodwill impairment of £355,000 (2003: Loss £3,020,000), which is after accounting for non-recurring exceptional costs of £391,000 mainly related to restructuring and closure costs.

OUTLOOK AND CURRENT OPERATIONS:

First Artist is one of Europe's leading football management groups and continues to improve and expand both in the UK and across Europe with increased activity and some notable transfers being undertaken during the summer trading window. We are continuing to develop our presence in the Far East and US with minimal drain on the Group's central resources.

In January 2005, the Company acquired the staff, player contracts and business assets of Mel Stein's Team Sports Management Limited and merged this operation into our London office. This acquisition will strengthen the London operation both with operational and player resource.

The UK's commercial and media department is continuing its organic growth and now represents over 30 well known sports and media personalities on a full management basis. The department is expanding to include personalities outside sport and a lead role in the West End was recently secured for one of our new clients. The launch of our Corporate Division in September 2004 is proving successful and activity is increasing as different markets are targeted and reached. The commercial department has recently completed negotiations to exclusively market a new product to sporting arenas worldwide and is working to promote several major events at leading sporting venues. All aspects of this division give us confidence of increased activity here over the coming year.

Our business diversification strategy continues to be a priority and the Group is actively seeking suitable acquisition opportunities, which can utilise our core-skills into non-football related sectors. Should suitable opportunities, as with Team Sports Management, present themselves in the football market then the Group will pursue these too.

The Group is working with other leading European agency operations, senior European clubs and leagues to enhance the position, reputation and transparency of the football transfer market and in particular the role of the Football Agent. The Group wishes to establish a professional body alongside the industry to clarify trading terms and practice.

We previously reported that the Board would be seeking approval from its shareholders and confirmation by the High Court to restructure its balance sheet to remove the deficit on the profit and loss account by cancellation of the share premium account. In light of the cost involved in undertaking such an exercise the Board has decided to reinvest this expenditure into the development of the Group with the intention to revisit the option at a more appropriate time.

First Artist Corporation plc

CHAIRMAN'S STATEMENT

I would like to thank all those involved in the restructuring of this group and thank the Board for its continued commitment in turning around a group in what remains a difficult environment.

A handwritten signature in black ink, appearing to read 'Alex Johnston', is written over a diagonal line that extends from the bottom left towards the top right.

Alex Johnston
Chairman
7 February 2005

First Artist Corporation plc

OPERATING AND FINANCIAL REVIEW

SALES

The Group generated sales of £3.98 million in the year ended 31 October 2004 compared to £4.23 million for the sixteen months ended 31 October 2003 and up 29% from £3.08 million for the twelve months to October 2003.

OPERATING PROFIT BEFORE GOODWILL AMORTISATION AND EXCEPTIONALS

The operating profit of £0.04 million before goodwill amortisation and impairment and one-off exceptional costs for the twelve month period is an upturn compared to the loss of £2.54 million reported in our last statement for the sixteen months ended October 2003 and also up from the loss of £1.66 million for the corresponding twelve month period ended October 2003. This is after deducting fees payable to third parties of £ 1.14 million (2003: £1.15 million) and administrative expenses of £2.79 million (2003: £5.62 million), an improvement of £1.31 million compared to the corresponding twelve month period to October 2003.

OPERATING LOSS AFTER GOODWILL AMORTISATION AND EXCEPTIONALS

The operating loss of £0.45 million is stated after £0.09 million of goodwill impairment and £0.39 million of exceptional charges arising from the Group's restructuring, aborted acquisition costs and the strategic review, undertaken in January 2004. The restructuring costs include the costs of closure relating to the First Artist Snooker Academy and the FIMO Geneva offices.

LIQUIDITY AND CAPITAL RESOURCES

At 31 October 2004 the net cash balance of the Group was £310,000, up from a net cash balance of £19,000 as at 31 October 2003. £0.11 million was paid as deferred consideration and £0.08 million on the capital element of finance lease rental payments. There was a net £0.26 million operating cash inflow this was after deducting £0.39 million of one-off restructuring costs. Non-cash net current assets have declined from £0.60 million to a credit of £0.1 million. Net current assets include £0.58 million of trade receivables net of provisions and £1.33 million of accrued income. Net Debt at 31 October 2003 improved from £0.40 million at 30 October 2003 to £0.15 million, comprising of £0.10 million term loan and £0.07 million of finance leases.

RESTRUCTURING AND ABORT FEES

During the period the Group incurred £0.39 million of exceptional charges arising from the Group's restructuring, aborted acquisition costs and the strategic review undertaken in January 2004. The restructuring costs include the costs of closure relating to the First Artist Snooker Academy and the FIMO Geneva offices

PURCHASE OF OWN SHARES

On 1 July 2004, 5,997,014 ordinary shares held by V.S.R.fioranelli were bought back by the Company and cancelled. The issued share capital of the Company now consists of 47,906,523 ordinary shares of 0.25 pence each.

GOING CONCERN

Following the restructuring of the business the Directors continue to closely monitor and control the situation and through diversification seek new ways in which to reduce reliance on traditional deal based revenue and to review opportunities in event management and sports other than football.

First Artist Corporation plc

OPERATING AND FINANCIAL REVIEW

The Directors have considered in detail the trading and cash flow forecasts for the next twelve months. Whilst the Directors cannot predict the future trading and funding requirements of the Group with certainty, they consider that the actions to date and ongoing plus the continued support of the Company's bankers will provide sufficient finance to enable the Group to meet its liabilities as they fall due. Therefore it is appropriate for the financial statements to be prepared on a going concern basis. The financial statements do not include any adjustment that might result from the Directors' forecasts not being met.



Richard Hughes
Finance Director
7 February 2005

First Artist Corporation plc

CORPORATE GOVERNANCE STATEMENT

The Company is supportive of the principles embodied in the revised Combined Code on Corporate Governance published by the Financial Reporting Council in July 2003 and, although not required to, the Directors have decided to provide commentary on corporate governance. This statement describes how the principles of corporate governance are applied to the Company.

THE BOARD AND ITS COMMITTEES

The Board currently comprises the independent Non-Executive Chairman, the Chief Executive and three Executive Directors. The Board is responsible to shareholders for the proper management of the Group. A statement of the Directors' responsibilities in respect of the accounts is set out on page 13.

The Board has a formal schedule of matters specifically referred to it for decisions. All Directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that procedures are followed and that applicable rules and regulations are complied with.

The Board meets formally on a regular basis. In addition ad hoc meetings are called to address specific issues requiring board approval. At formal meetings the Board review trading performance, cash flow, setting and monitoring strategy and examine major acquisition possibilities. To enable the Board to discharge its duties, all Directors receive appropriate and timely information. The Directors may take independent professional advice as required.

The Board has established a Governance Committee to deal with Nominations, Remuneration and Audit issues. The Governance Committee is currently comprised of the Non-executive Chairman and Finance Director. The Committee also takes the advice of its auditors and stockbrokers to ensure compliance. The Group is actively seeking a second non-executive director to join the Committee and the Board hopes to announce an appointment in the near future, whereupon the Finance Director will step down. The Committee meets half yearly to formally discuss audit and remuneration issues and on an ad hoc basis to discuss nominations. Its meetings are attended, by invitation, by the Chief Executive and the Finance Director, when not acting as a member.

The Governance Committee is responsible for making recommendations to the Board on nominations for appointments of new directors and on the framework of the Group's policies for the remuneration of its executive directors. The remuneration of non-executive directors is determined by the Board.

The Governance Committee is also responsible for reviewing the interim and annual accounts before their acceptance by the Board and for monitoring controls that are in force to ensure the integrity of the information reported to the shareholders. The Committee provides a forum for reporting by the external auditors and advises the Board on their appointment and remuneration.

The Governance Committee also undertakes an assessment of the auditors' independence each year which includes a review of non-audit services provided to the Group and related fees, discussion with the auditors of a written report detailing all relationships with the Company and any other parties that could affect independence or the perception of independence and obtaining written confirmation from the auditors that, in their professional judgment, they are independent.

RELATIONS WITH SHAREHOLDERS

The Board recognises the importance of communications with the shareholders. There is regular dialogue with institutional shareholders including presentations after the Company's interim and final announcements of the half year and year end results.

The Board uses the Annual General Meeting to communicate with private and institutional investors and welcomes their participation.

First Artist Corporation plc

CORPORATE GOVERNANCE STATEMENT

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for the Group's systems of internal control and risk management and for reviewing the effectiveness of those systems. Such systems are designed to manage, rather than eliminate the risk of failure to achieve business objectives; any system can provide only reasonable and not absolute assurance against material misstatement or loss.

The following controls have continued in place throughout the year:

- defined organisational structure with appropriate delegation of authority
- monthly board meetings
- regular Governance Committee meetings
- clear responsibilities on the part of financial management for the maintenance of good financial controls and the production and review of detailed, accurate and timely financial management information
- authorisation levels and proper segregation of accounting duties
- a comprehensive financial review cycle, which includes an annual budget approved by the main board; detailed monthly variances against budget at subsidiary level with, where necessary, remedial action. Annual performance is reforecast monthly; and
- provision to the Board of relevant, accurate and timely management information

A 'Manual of Operations and Procedures' has been issued to all employees. The manual provides management and employees with a framework of rules, controls and processes to enable the Group to operate efficiently, legally and effectively within its market place.

The internal control environment will continue to be monitored and reviewed by the Board and where necessary, it will ensure improvements are implemented.

First Artist Corporation plc

REMUNERATION REPORT

POLICY ON DIRECTORS' REMUNERATION

The Group's Governance Committee is responsible for making recommendations to the Board, within agreed terms of reference, on the Company's framework of executive remuneration and its cost. The Committee determines the contract terms, remuneration and other benefits for each of the Executive Directors, including pension rights. The Board itself determines the remuneration of the Non-Executive Directors.

Through monitoring the market place the Committee looks to offer remuneration packages which not only reflect current market conditions but are also commensurate with attracting, retaining and motivating Directors of quality to ensure the continued growth and success of the Group.

DIRECTORS' REMUNERATION

The main elements of the remuneration package offered are:

- **Basic salary and conditions**
This is determined by the Governance Committee taking into account the performance of the individual and the performance of the Group.
- **Bonuses**
All bonuses are performance related. Financial targets are set by the Governance Committee
- **Pensions**
Pension arrangements vary between the Directors. The Group provides some of the Executive Directors with contributions to their individual money purchase pension schemes.
- **Share options**
The level of share options granted to Directors is set by the Governance Committee. These grants are currently discretionary and are not performance related.

Full details concerning Directors' emoluments and service contracts are disclosed in note 7 to the Accounts.

DIRECTORS' INTERESTS IN SHARES

Details of the Directors' interests in the Company's shares, including share options, are set out in the Directors' Report.

First Artist Corporation plc

DIRECTORS' REPORT

The Directors submit their report and the group financial statements of First Artist Corporation plc for the year ended 31 October 2004.

PRINCIPAL ACTIVITIES

The principal activity of the Group during the year was that of sports promotion, marketing and management.

REVIEW OF THE BUSINESS

The Group is a management and representation business, which looks after the commercial interests of footballers, sportsmen and other personalities in the sports and television market.

A detailed review of the year is set out in the Chairman's Statement and the Operating and Financial Review on pages 3 to 6.

EVENTS SINCE THE END OF THE YEAR

In January 2005, the Company acquired the staff, player contracts and assets of Team Sports Management Limited and merged this operation into the London office.

Consideration paid was £25,000 on completion with a further £25,000 within 12 months. Contingent consideration is based on future income generated directly from the acquired portfolio of player's contracts.

On 7 January 2005, the Group agreed increased facilities with its bankers to support its acquisition strategy. A facility of up to £300,000 was put in place to support the funding of opportunities.

RESULTS AND DIVIDENDS

The trading loss for the period after taxation was £326,000 (2003: period loss of £14,592,000).

The Directors did not pay an interim dividend (2003: £Nil) and do not recommend the payment of a final dividend (2003: £Nil).

DIRECTORS

The following Directors have held office during the year:

A J Johnston	
J A Smith	
P M Smith	
R M Hughes	(appointed 26 March 2004)
V Morabito	
J Lees	(resigned 1 April 2004)
B Baldock CBE	(resigned 19 May 2004)

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

Directors' interests in the shares of the Company, including family interests, were as follows:

	<i>Ordinary shares of 0.25 pence each</i>	
	<i>31.10.04</i>	<i>31.10.03</i>
A J Johnston	27,680	27,680
J A Smith	11,443,643	11,383,643
P M Smith	7,638,402	7,588,402
R M Hughes	333,333	-
V Morabito	8,325,000	8,466,443

First Artist Corporation plc

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (*continued*)

Mr P M Smith's interests include 2,797,600 (2003: 2,797,600) shares held by The Smith Family Trust, a discretionary trust whose beneficiaries include Mr Smith and his family.

There have been no other changes in directors' holdings between 1 November 2004 and 31 January 2005.

Directors have been granted options to acquire shares in the Company as follows:

	<i>At 31.10.03</i>	<i>Number of options granted</i>	<i>At 31.10.04</i>	<i>Date exercisable</i>	<i>Expiry date</i>	<i>Exercise price</i>
A J Johnston	300,000	-	300,000	26.03.01	26.03.06	33 pence
	-	50,000	50,000	16.07.04	16.07.07	3 pence
J A Smith	150,000	-	150,000	17.10.05	17.10.12	17 pence
	-	150,000	150,000	16.07.04	16.07.07	3 pence
P M Smith	150,000	-	150,000	17.10.05	17.10.12	17 pence
	-	150,000	150,000	16.07.04	16.07.07	3 pence
R M Hughes	-	100,000	100,000	16.07.04	16.07.07	3 pence
V Morabito	150,000	-	150,000	17.10.05	17.10.12	17 pence
	-	150,000	150,000	16.07.04	16.07.07	3 pence

Copies of the option agreements may be inspected by shareholders on written application to the Company Secretary.

SUBSTANTIAL SHAREHOLDINGS

The Company is aware of the undermentioned interests of 3% or more, other than directors, in its share capital as at 26 January 2005.

	<i>Ordinary shares</i>	<i>Percentage</i>
VSR Fioranelli	2,327,986	4.86%
Sinjul Nominees Limited	1,985,152	4.14%
Evo Nominees Limited	1,949,040	4.07%

PURCHASE OF OWN SHARES

During the year the Company repurchased 5,997,014 of its ordinary shares of 0.25 pence each for an aggregate consideration of £1. This repurchase represented 11.13% of the Company's issued capital and was part of a major rationalisation programme undertaken by the Company in response to significant changes in the football agency market and a decision to close the Group's Geneva office.

CORPORATE GOVERNANCE

The Company is supportive of the principles embodied in the revised Combined Code on Corporate Governance published by the Financial Reporting Council in July 2003. Details concerning the Group arrangements relating to corporate governance and internal controls are given in the Corporate Governance report on pages 7 and 8.

GOING CONCERN

The Directors are satisfied that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the accounts.

First Artist Corporation plc

DIRECTORS' REPORT

POLICY ON PAYMENT OF CREDITORS

The Company does not follow any formal code or standard on payment practice. The Company agrees payment terms with individual suppliers, which vary according to the commercial relationship and the terms of the agreement reached. It is the policy of the Company that whenever possible payments to suppliers are made in accordance with the terms agreed.

Trade creditor days based on creditors at 31 October 2004 were 78 days (2003: 133 days).

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year group companies made contributions to United Kingdom charitable organisations totalling £1,000 (2003: £2,000). No political contributions were made.

AUDITORS

In accordance with section 385 of the Companies Act 1985, a resolution will be put to the members at the Annual General Meeting to re-appoint Baker Tilly, Chartered Accountants as auditors.

By order of the board



Richard Hughes
Company Secretary

7 February 2005

First Artist Corporation plc

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

Company law requires the Directors to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Group for that period. In preparing those financial statements, the Directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- d. 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 to enable them to ensure that the financial statements comply with the requirements of 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIRST ARTIST CORPORATION PLC

We have audited the financial statements on pages 15 to 41.

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 auditors' 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 opinion we have formed.

Respective responsibilities of directors and auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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 not 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Chairman's Statement, the Operating and Financial Review, the Corporate Governance Statement, the Remuneration Report and the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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.

Fundamental uncertainty - going concern

In forming our opinion, we have considered the adequacy of disclosure made on page 20 of the financial statements concerning the uncertainty as to the future trading and funding requirements of the Group. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group at 31 October 2004 and of the Group's loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BAKER TILLY
Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST
7 February 2005

First Artist Corporation plc
CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 31 October 2004

	<i>Notes</i>	Continuing Operations Year ended 31 October 2004 £000	Discontinued Operations Year ended 31 October 2004 £000	Total Year ended 31 October 2004 £000	Period from 1 July 2002 to 31 October 2003 £000
TURNOVER	1	3,739	236	3,975	4,229
Cost of sales		(1,114)	(29)	(1,143)	(1,147)
GROSS PROFIT		2,625	207	2,832	3,082
Administrative expenses		(2,568)	(228)	(2,796)	(5,622)
Profit/(loss) before exceptional administrative expenses		57	(21)	36	(2,540)
Exceptional administrative expenses	3	(113)	(278)	(391)	(480)
OPERATING LOSS before goodwill amortisation		(56)	(299)	(355)	(3,020)
Administrative expenses – goodwill impairment and amortisation		-	(92)	(92)	(11,820)
GROUP OPERATING LOSS		(56)	(391)	(447)	(14,840)
Share of operating loss of associates		-	-	-	(97)
TOTAL OPERATING LOSS	2	(56)	(391)	(447)	(14,937)
Loss on disposal of investment				-	(26)
Investment income	4			8	11
Interest payable	5			(54)	(54)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	6			(493)	(15,006)
Taxation	8			167	414
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION				(326)	(14,592)
Dividends	9			-	-
RETAINED LOSS FOR THE YEAR				(326)	(14,592)
LOSS PER SHARE	10				
Basic loss per share				(0.63) pence	(27.08) pence
Fully diluted loss per share				(0.62) pence	(27.08) pence
Basic earnings/(loss) per share before goodwill amortisation and exceptional costs				0.30 pence	(4.21) pence
Fully diluted earnings/(loss) per share before goodwill amortisation and exceptional costs				0.30 pence	(4.21) pence

First Artist Corporation plc

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 October 2004

	Year ended 31 October 2004 £000	Period from 1 July 2002 to 31 October 2003 £000
Loss for the financial period	(326)	(14,592)
Currency translation differences on net foreign currency investments	(73)	59
Total recognised gains and losses relating to the period	<u>(399)</u>	<u>(14,533)</u>

First Artist Corporation plc
CONSOLIDATED BALANCE SHEET
31 October 2004

	<i>Notes</i>	2004 £000	2003 £000
FIXED ASSETS			
Intangible assets	12	-	-
Tangible assets	13	755	811
		<u>755</u>	<u>811</u>
CURRENT ASSETS			
Debtors	15	2,243	3,504
Cash at bank and in hand		310	156
		<u>2,553</u>	<u>3,660</u>
CREDITORS: Amounts falling due within one year	16	(2,133)	(2,908)
NET CURRENT ASSETS		<u>420</u>	<u>752</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,175	1,563
CREDITORS: Amounts falling due after more than one year	17	(98)	(87)
NET ASSETS		<u>1,077</u>	<u>1,476</u>
CAPITAL AND RESERVES			
Called up share capital	18	120	135
Capital redemption Reserve	19	15	-
Share premium account	19	6,217	6,217
Profit and loss account	19	(5,275)	(4,876)
EQUITY SHAREHOLDERS' FUNDS		<u>1,077</u>	<u>1,476</u>

Approved by the board on 7 February 2005



J A Smith Director

First Artist Corporation plc
 COMPANY BALANCE SHEET
 31 October 2004

	<i>Notes</i>	2004 £000	2003 £000
FIXED ASSETS			
Intangible assets	12	-	-
Tangible assets	13	672	708
Investments	14	1,225	1,133
		<u>1,897</u>	<u>1,841</u>
CURRENT ASSETS			
Debtors	15	1,706	2,388
Cash at bank and in hand		120	-
		<u>1,826</u>	<u>2,388</u>
CREDITORS: Amounts falling due within one year	16	(2,422)	(2,429)
NET CURRENT LIABILITIES		<u>(596)</u>	<u>(41)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,301	1,800
CREDITORS: Amounts falling due after more than one year	17	(98)	(67)
NET ASSETS		<u>1,203</u>	<u>1,733</u>
CAPITAL AND RESERVES			
Called up share capital	18	120	135
Capital redemption reserve	19	15	-
Share premium account	19	6,217	6,217
Profit and loss account	19	(5,149)	(4,619)
EQUITY SHAREHOLDERS' FUNDS		<u>1,203</u>	<u>1,733</u>

Approved by the board on 7 February 2005



J A Smith Director

First Artist Corporation plc
CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 October 2004

	<i>Notes</i>	Year ended 31 October 2004 £000	Period from 1 July 2002 to 31 October 2003 £000
Cash inflow/(outflow) from operating activities	20a	313	(623)
Returns on investments and servicing of finance	20b	(46)	(43)
Taxation	20b	87	(97)
Capital expenditure and financial investment	20b	22	43
Acquisitions and investments	20b	(92)	(141)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		<u>284</u>	<u>(861)</u>
Financing	20b	7	(600)
INCREASE/(DECREASE) IN CASH IN THE PERIOD		<u>291</u>	<u>(1,461)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	Year ended 31 October 2004 £000	Period from 1 July 2002 to 31 October 2003 £000
Increase/(decrease) in cash in the period	291	(1,461)
Cash from increase in debt financing	(7)	600
New finance leases	(32)	(104)
Deferred consideration on acquisition of subsidiaries	-	1,627
	<u>252</u>	<u>662</u>
NET DEBT AT 1 NOVEMBER 2003	(403)	(1,065)
NET DEBT AT 31 OCTOBER 2004	<u>(151)</u>	<u>(403)</u>

First Artist Corporation plc

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom.

BASIS OF CONSOLIDATION

The group financial statements consolidate the financial statements of First Artist Corporation plc and all of its subsidiaries made up to 31 October 2004.

No profit and loss account is presented for First Artist Corporation plc, as provided by Section 230 (3) of the Companies Act 1985.

ASSOCIATED UNDERTAKINGS

Undertakings in which the Group has a participating interest of not less than 20% in the voting capital and over which it exerts significant influence are defined as associated undertakings. The Group financial statements include the appropriate share of these undertakings' results and retained reserves based on the latest audited financial statements.

GOING CONCERN

In view of the Group's losses, the Directors have been closely monitoring the financial situation and the restructuring of the business during the current and previous period has led to a subsequent return to profitability (before exceptional items and goodwill). The Directors continue to closely monitor and control the Group's financial situation and through diversification seek new ways in which to reduce reliance on traditional deal based revenue and to review opportunities in sports other than football.

The Directors have considered in detail the trading and cash flow forecasts for the next twelve months. Whilst the Directors cannot predict the future trading and funding requirements of the Group with certainty, they consider that the above actions and the continued support of the Company's bankers will provide sufficient finance to enable the Group to meet its liabilities as they fall due. Therefore it is appropriate for the financial statements to be prepared on a going concern basis. The financial statements do not include any adjustment that might result from the Directors' forecasts not being met.

INTANGIBLE FIXED ASSETS

Purchased goodwill represents the excess of the purchase price over the fair value of the net assets acquired and is capitalised and written off evenly over periods of between 5 and 10 years as in the opinion of the directors this represents the period over which the goodwill is effective. Following an impairment review carried out during the period to 31 October 2003, the carrying value of purchased goodwill was reduced to zero.

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost less accumulated depreciation.

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:-

Freehold buildings	2% straight line
Short leasehold improvements	Over period of the lease
Plant and machinery	15% reducing balance
Fixtures and fittings	15% reducing balance
Motor vehicles	25% reducing balance

First Artist Corporation plc

ACCOUNTING POLICIES

INVESTMENTS

Long-term investments are classified as fixed assets and stated at cost less provision for any permanent diminution in value.

LEASING AND HIRE PURCHASE COMMITMENTS

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

PENSIONS

Group companies make contributions to the personal schemes of certain employees. Pension costs charged against profits represent the amounts payable to the schemes in respect of the period.

FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rates ruling at the date of the transactions. All differences are taken to the profit and loss account.

The assets and liabilities of foreign subsidiary undertakings are translated into sterling at the rates of exchange ruling at the balance sheet date. The results of foreign subsidiary undertakings are translated at the average rates of exchange during the period. Gains or losses resulting from the realignment of opening net assets and the results for the period to the period end rates are treated as movements on reserves.

TURNOVER

Turnover represents income receivable, excluding Value Added Tax, for services rendered during the year.

COMPARATIVE FIGURES

Comparative figures are for the sixteen month period ended 31 October 2003.

First Artist Corporation plc
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2004

1 SEGMENTAL REPORT

The group's net assets, turnover and (loss)/profit before taxation were all derived from its principal activity originating in the following geographical markets:

	Net assets £000	2004 Turnover £000	Loss before tax £000	Net assets £000	2003 Turnover £000	Loss before tax £000
United Kingdom	4	1,875	(359)	514	2,339	(1,875)
Europe	1,237	2,066	(81)	1,099	1,845	(12,984)
Other	(162)	34	(53)	(137)	45	(147)
	<u>1,077</u>	<u>3,975</u>	<u>(493)</u>	<u>1,476</u>	<u>4,229</u>	<u>(15,006)</u>

Net assets, turnover and loss before tax by destination are not materially different from the above.

2 OPERATING LOSS

Operating loss is analysed between continuing and discontinued operations as follows:

	Continuing operations £000	Year 2004 Dis- continued operations £000	Total £000	Continuing operations £000	Period 2003 Dis- continued operations £000	Total £000
Turnover	3,739	236	3,975	4,190	39	4,229
Cost of sales	(1,114)	(29)	(1,143)	(996)	(151)	(1,147)
Gross profit	<u>2,625</u>	<u>207</u>	<u>2,832</u>	<u>3,194</u>	<u>(112)</u>	<u>3,082</u>
Administrative expenses	(2,568)	(228)	(2,796)	(5,213)	(409)	(5,622)
Operating loss before exceptional costs and goodwill impairment	<u>57</u>	<u>(21)</u>	<u>36</u>	<u>(2,019)</u>	<u>(521)</u>	<u>(2,540)</u>
Exceptional administrative expenses	(113)	(278)	(391)	(210)	(270)	(480)
Goodwill impairment and amortisation	-	(92)	(92)	-	(11,820)	(11,820)
Group operating loss	<u>(56)</u>	<u>(391)</u>	<u>(447)</u>	<u>(2,229)</u>	<u>(12,611)</u>	<u>(14,840)</u>
Share of operating loss of association	-	-	-	-	(97)	(97)
Operating loss	<u>(56)</u>	<u>(391)</u>	<u>(447)</u>	<u>(2,229)</u>	<u>(12,708)</u>	<u>(14,937)</u>

First Artist Corporation plc
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 October 2004

3	EXCEPTIONAL ADMINISTRATIVE EXPENSES	Year 2004 £000	Period 2003 £000
	Costs of abortive acquisitions	9	107
	Strategic review	29	-
	Redundancies and other restructuring costs	353	373
		<u>391</u>	<u>480</u>
		=====	=====
4	INVESTMENT INCOME	Year 2004 £000	Period 2003 £000
	Bank interest received	1	11
	Tax repayment supplement	7	-
		<u>8</u>	<u>11</u>
		=====	=====
5	INTEREST PAYABLE	Year 2004 £000	Period 2003 £000
	Bank interest	36	28
	Interest on finance leases	9	6
	Interest on directors' loans	6	15
	Interest on other loans	3	5
		<u>54</u>	<u>54</u>
		=====	=====
6	LOSS ON ORDINARY ACTIVITIES	Year 2004 £000	Period 2003 £000
	Loss on ordinary activities before taxation is stated after charging/(crediting):		
	Depreciation and amounts written off tangible fixed assets	67	166
	(Profit)/loss on disposals of tangible fixed assets	(1)	41
	Amortisation and impairment of goodwill	92	11,820
	Operating lease rentals:		
	plant and machinery	15	38
	land and buildings	102	122
	Auditors' remuneration		
	- audit fees	57	91
	- non-audit fees	26	69
	Loss on foreign currencies	7	158
		<u>7</u>	<u>158</u>
		=====	=====

First Artist Corporation plc
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2004

7	EMPLOYEES AND DIRECTORS	Year 2004 No.	Period 2003 No.
	The average monthly number of persons (including directors) employed by the Group during the year was:		
	Services and promotion	11	20
	Administration and finance	7	10
		18	30
		18	30

		Year 2004 £000	Period 2003 £000
	Staff costs for above persons:		
	Wages and salaries	969	2,232
	Social security costs	105	269
	Other pension costs	29	36
		1,103	2,537
		1,103	2,537

Directors' emoluments

	Salaries and fees £000	Benefits £000	Pension contri- butions £000	Year Total 2004 £000	Period Total 2003 £000
AJ Johnston	11	-	-	11	10
J Smith	216	9	17	242	239
P Smith	208	7	9	224	224
R M Hughes *	45	-	-	45	-
V Morabito	241	-	-	241	325
B Baldock	8	-	-	8	25
JC Lees	45	1	3	49	154
N Bitel	-	-	-	-	5
VSR Fioranelli *	-	-	-	-	261
	774	17	29	820	1,243
	774	17	29	820	1,243

* These include fees which were paid to undertakings in which the Director has an interest.

First Artist Corporation plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2004

7 EMPLOYEES AND DIRECTORS (*continued*)

Directors' service contracts

On 26 November 2001 Jon Smith entered into a service agreement with the Company pursuant to which he acts as Chief Executive of the Company. The terms of this agreement include, inter alia, that the agreement can be terminated by 6 months' written notice given by either party.

On 26 November 2001 Phil Smith entered into a service agreement with the Company pursuant to which he acts as Chief Operating Officer of the Company. The terms of this agreement include, inter alia, that the agreement can be terminated by 6 months' written notice given by either party.

On 19 April 2004, MobyRH Limited, a company in which Richard Hughes has an interest entered into a service agreement with the Company pursuant to which he acts as Finance Director of the Company. The terms of this agreement include, inter alia, that the agreement can be terminated by 6 months' written notice given by either party.

On 21 December 2001, Vincenzo Morabito entered into a service agreement with the Company pursuant to which he acts as an executive Director of the Company. The terms of this agreement include, inter alia, that the agreement can be terminated by 6 months' written notice given by either party.

Alex Johnston was appointed as a non-executive director of the Company pursuant to a letter of appointment dated 19 March 2001. Pursuant to this letter of appointment, Mr Johnston is required to attend 75 per cent. of board meetings, and to serve on any committee of the Board. This appointment is terminable on 3 months' written notice by either party.

8 TAXATION	Year 2004 £000	Period 2003 £000
Current tax:		
UK corporation tax (credit)/charge on (losses)/profits of the period	-	(66)
Foreign taxes	(91)	(294)
Adjustments in respect of previous periods	(56)	8
Current tax (credit)/charge for the period	<u>(147)</u>	<u>(352)</u>
Deferred taxation:		
Origination and reversal of timing differences	(20)	(62)
Tax (credit)/charge on profit on ordinary activities	<u>(167)</u>	<u>(414)</u>

First Artist Corporation plc
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2004

8	TAXATION (<i>continued</i>)		
	Factors affecting tax charge for period:	Year	Period
		2004	2003
		£000	£000
	The tax assessed for the period differs from the standard rate of corporation tax in the UK (30%). The differences are explained below:		
	Loss on ordinary activities before tax	(493)	(15,006)
		<hr/>	<hr/>
	Loss on ordinary activities multiplied by standard rate of corporation tax in the UK 30% (2003: 30%)	(148)	(4,502)
	Effects of:		
	Expenses not deductible for tax purposes	15	269
	Depreciation in excess of capital allowances	12	(5)
	Amortisation and impairment of goodwill	28	3,546
	Differences in foreign tax rates	(81)	332
	Carry forward of unrelieved trading losses	83	-
	Adjustment to tax charge in respect of previous periods	(56)	8
		<hr/>	<hr/>
	Current tax (credit)/charge for period	(147)	(352)
		<hr/> <hr/>	<hr/> <hr/>
	Factors that may affect future tax charges		

Although the Group has suffered losses for the period under review the Directors have considered in detail the Group's trading and cash flow forecasts and have recognised deferred tax assets to the extent that they are regarded as recoverable. At 31 October 2004 deferred tax assets not recognised in respect of unrelieved trading losses amounted to approximately £83,000 (2003: £Nil).

9	DIVIDENDS	Year	Period
		2004	2003
		£000	£000
	Interim paid – Nil pence per share (2003: Nil pence per share)	-	-
		<hr/> <hr/>	<hr/> <hr/>

10 LOSS PER SHARE

Basic loss per share has been calculated on a loss on ordinary activities after taxation of £326,000 (2003: loss of £14,952,000) and on a weighted average of 51,784,044 (2003: 53,893,666) ordinary shares in issue during the year.

Fully diluted loss per share is based on a loss of £324,000 (2003: £14,592,000) and on a weighted average of 52,409,427 (2003: 53,893,666) potential shares in issue.

In addition, the Directors have included earnings per share calculations based on earnings before the amortisation of goodwill and before exceptional costs as they believe that these figures provide a more meaningful and useful indication of the Group's performance during the period.

The basic earnings/(loss) per share before amortisation of goodwill and exceptional costs has been calculated on a profit on ordinary activities after taxation of £157,000 (2002: loss of £2,266,000) and on a weighted average of 51,784,044 (2003: 53,893,666) ordinary shares in issue during the year.

The fully diluted earnings/(loss) per share before amortisation of goodwill and exceptional costs is based on a profit of £159,000 (2003: loss of £2,266,000) and on a weighted average of 52,409,427 (2003: 53,893,666) potential shares in issue.

First Artist Corporation plc
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2004

11 LOSS OF THE PARENT COMPANY

The parent company's loss for the year to 31 October 2004 amounted to £530,000 (period to 31 October 2003: £5,793,000).

12 INTANGIBLE FIXED ASSETS

	Purchased Goodwill £000
GROUP	
Cost	
1 November 2003	13,129
Increase in consideration on acquisition of FIMO	92
	<hr/>
31 October 2004	13,221
	<hr/>
Amortisation	
1 November 2003	13,129
Impairment	92
	<hr/>
31 October 2004	13,221
	<hr/>
Net book value	
31 October 2004	-
	<hr/> <hr/>
31 October 2003	-
	<hr/> <hr/>
COMPANY	
Cost	
1 November 2003 and 31 October 2004	492
	<hr/>
Amortisation	
1 November 2003 and 31 October 2004	492
	<hr/>
Net book value	
31 October 2004	-
	<hr/> <hr/>
31 October 2003	-
	<hr/> <hr/>

First Artist Corporation plc
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 October 2004

13 TANGIBLE FIXED ASSETS

	Freehold land and buildings £000	Short leasehold improve- ments £000	Plant and machinery £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
GROUP						
Cost						
1 November 2003	392	163	206	134	186	1,081
Additions	-	4	9	10	33	56
Disposals	-	(4)	-	(18)	(53)	(75)
	<u>392</u>	<u>163</u>	<u>215</u>	<u>126</u>	<u>166</u>	<u>1,062</u>
Depreciation						
1 November 2003	14	45	111	28	72	270
Charge for year	6	7	13	14	27	67
Disposals	-	-	-	(1)	(29)	(30)
	<u>20</u>	<u>52</u>	<u>124</u>	<u>41</u>	<u>70</u>	<u>307</u>
Net book value						
31 October 2004	<u>372</u>	<u>111</u>	<u>91</u>	<u>85</u>	<u>96</u>	<u>755</u>
31 October 2003	<u>378</u>	<u>118</u>	<u>95</u>	<u>106</u>	<u>114</u>	<u>811</u>

Included in land and buildings is land valued at £110,000, which is not depreciated.

The net book value of the Group's fixed assets includes £96,000 (2003: £148,000) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge for the period in respect of those assets is £27,000 (2003: £35,000).

First Artist Corporation plc
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2004

13 TANGIBLE FIXED ASSETS (*continued*)

COMPANY	Freehold land and buildings £000	Short leasehold improve- ments £000	Plant and machinery £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
Cost						
1 November 2003	392	163	106	85	168	914
Additions	-	-	9	1	32	42
Disposals	-	-	-	-	(52)	(52)
31 October 2003	392	163	115	86	148	904
Depreciation						
1 November 2003	14	45	50	26	71	206
Charge for year	6	7	9	10	23	55
Disposals	-	-	-	-	(29)	(29)
31 October 2004	20	52	59	36	65	232
Net book value						
31 October 2004	372	111	56	50	83	672
31 October 2003	378	118	56	59	97	708

Included in land and building is land valued at £110,000 which is not depreciated.

The net book value of the Company's fixed assets includes £83,000 (2003: £99,000) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge for the year in respect of those assets is £23,000 (2003: £33,000).

14 FIXED ASSET INVESTMENTS

The Group holds more than 20% of the equity of the following companies:

Name of company	Country of incorporation	Holding	Proportion held	Nature of business
Held by the parent company				
FIMO Sport Promotion AG	Switzerland	100 shares of CHF 1,000 each	100%	Sports promotion and management (now ceased)
First Artist International Pte Limited	Singapore	100 ordinary shares of S\$1 each	100%	Sports promotion and management
First Artist Snooker Management Limited	Great Britain	51 Ordinary shares of £1 each	51%	Sports promotion and management (now ceased)
Held by other group undertakings				
Promosport Srl	Italy	20m shares of 1 Lire each	100%	Sports promotion and management

First Artist Corporation plc
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 October 2004

14	FIXED ASSET INVESTMENTS (<i>continued</i>)			
			Subsidiary undertakings	
	COMPANY		£000	
	Cost			
	1 November 2003		5,574	
	Increase in consideration on acquisition of FIMO Sport Promotion AG		92	
	31 October 2004		<u>5,666</u>	
	Provision for diminution in value			
	1 November 2003		4,441	
	Provision in year		-	
	31 October 2004		<u>4,441</u>	
	Net book value			
	31 October 2004		<u>1,225</u>	
	31 October 2003		<u>1,133</u>	
15	DEBTORS			
		Group	Company	
	2004	2003	2004	2003
	£000	£000	£000	£000
	Due within one year:			
	Trade debtors	1,382	348	492
	Accrued income	1,497	461	1,060
	Owed by subsidiary undertakings	-	613	337
	Other debtors	197	110	172
	Deferred tax asset	55	-	55
	Prepayments	103	56	71
	<u>2,125</u>	<u>3,234</u>	<u>1,588</u>	<u>2,187</u>
	Due after more than one year:			
	Accrued income	270	43	201
	Deferred tax asset	-	75	-
	<u>118</u>	<u>270</u>	<u>118</u>	<u>201</u>
	<u>2,243</u>	<u>3,504</u>	<u>1,706</u>	<u>2,388</u>

First Artist Corporation plc
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2004

15 DEBTORS (continued)

The deferred tax asset/(provision) is as follows:

	Group		Company	
	2004	2003	2004	2003
	£000	£000	£000	£000
1 November 2003	55	(7)	55	(7)
Released to the profit and loss account (note 8)	20	62	20	62
31 October 2004	<u>75</u>	<u>55</u>	<u>75</u>	<u>55</u>
These balances comprise:				
Decelerated/(excess) capital allowances	26	(8)	26	(8)
Other timing differences	17	4	17	4
Unrelieved trading losses	32	59	32	59
	<u>75</u>	<u>55</u>	<u>75</u>	<u>55</u>

Although the Group has suffered losses for the period under review, the Directors have considered in detail the Group's trading and cash flow forecasts and are of the opinion that it is appropriate to recognise deferred tax assets in respect of unrelieved trading losses to the extent that they are regarded as recoverable in these financial statements.

16 CREDITORS: Amounts falling due within one year

	Group		Company	
	2004	2003	2004	2003
	£000	£000	£000	£000
Bank overdraft	-	137	-	137
Term loans	25	-	25	-
Trade creditors	993	1,137	586	537
Obligations under finance leases	48	70	28	45
Owed to subsidiary undertakings	-	-	879	744
Corporation tax	35	161	-	-
Other taxation and social security	113	276	62	219
Deferred consideration	-	265	-	265
Other creditors	694	456	652	207
Accruals	225	406	190	275
	<u>2,133</u>	<u>2,908</u>	<u>2,422</u>	<u>2,429</u>

Bank overdrafts amounting to £Nil (2002: £137,000) are secured by a fixed and floating charge over the assets of the company.

First Artist Corporation plc
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2004

17	CREDITORS: Amounts falling due after more than one year	2004 £000	Group 2003 £000	2004 £000	Company 2003 £000
	Obligations under finance leases	23	45	23	25
	Term Loan	75	-	75	-
	Deferred consideration	-	42	-	42
		<u>98</u>	<u>87</u>	<u>98</u>	<u>67</u>
		=====	=====	=====	=====

Obligations under finance leases above and in Note 16 are secured on the relevant assets and are fully repayable within five years.

An analysis of the maturity profile of the Group's financial liabilities is given in Note 22.

The term loan above and in Note 16 is unsecured and bears interest at the higher of 7 percent per annum or 1% above UK bank base rates. The loan is repayable in instalments as follows:

	2004 £000	Group 2003 £000	2004 £000	Company 2003 £000
Within one year	25	-	25	-
Within between one and two years	25	-	25	-
Within between two and five years	50	-	50	-
	<u>100</u>	<u>-</u>	<u>100</u>	<u>-</u>
	=====	=====	=====	=====

In the event that the Company fails to meet the repayment schedule, the lender has the option to rollover the outstanding payment to the next instalment date or to convert such outstanding amounts into ordinary shares at the prevailing market price.

18	SHARE CAPITAL	2003 £000	2002 £000
	Authorised: 120,000,000 ordinary shares of 0.25 pence each	300	300
		=====	=====
	Allotted, issued and fully paid: 47,906,523 ordinary shares of 0.25p each	120	135
		=====	=====

Shares Repurchased:

During the year the company repurchased 5,997,014 of its ordinary shares of £0.0025 each for an aggregate consideration of £1. This repurchase represented 11.13% of the Company's issued share capital and was part of a major rationalisation programme undertaken by the Company in response to significant changes in the football agency market and a decision to close the Group's Geneva office.

First Artist Corporation plc
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2004

18 SHARE CAPITAL (*continued*)

The following options to subscribe for the Company's shares have been granted to directors and eligible employees and have not lapsed at 31 October 2004:

Granted to	Date of Option	Number of Shares	First exercisable	Expiry date	Exercise Price
Alex Johnston	31 January 2001	300,000	26 January 2001	26 January 2006	33 pence
Eligible employees	24 January 2002	135,000	24 January 2005	24 January 2012	17 pence
Eligible employees	17 October 2002	150,000	17 October 2005	17 October 2012	17 pence
Jon Smith	17 October 2002	150,000	17 October 2005	17 October 2012	17 pence
Phil Smith	17 October 2002	150,000	17 October 2005	17 October 2012	17 pence
Vincenzo Morabito	17 October 2002	150,000	17 October 2005	17 October 2012	17 pence
Eligible Employees	16 July 2004	130,000	16 July 2007	16 July 2014	3 pence
Jon Smith	16 July 2004	150,000	16 July 2007	16 July 2014	3 pence
Phil Smith	16 July 2004	150,000	16 July 2007	16 July 2014	3 pence
Vincenzo Morabito	16 July 2004	150,000	16 July 2007	16 July 2014	3 pence
Richard Hughes	16 July 2004	100,000	16 July 2007	16 July 2014	3 pence
Alex Johnston	16 July 2004	50,000	16 July 2007	16 July 2014	3 pence

At 31 October 2004, 1,765,000 options remained in issue.

During the period the mid price of the Company's shares traded between 3.5p and 4.87p. At 31 October 2004 the share price was 4.62p.

First Artist Corporation plc
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2004

19 RESERVES AND RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Share capital £000	Capital redemption Reserve £000	Share premium £000	Profit and loss account £000	Total shareholders' Funds £000
GROUP					
1 November 2003	135	-	6,217	(4,876)	1,476
Loss for the financial period	-	-	-	(326)	(326)
Purchase of own shares	(15)	15	-	-	-
Exchange adjustments	-	-	-	(73)	(73)
31 October 2004	<u>120</u>	<u>15</u>	<u>6,217</u>	<u>(5,275)</u>	<u>1,077</u>
	Share capital £000	Capital redemption Reserve £000	Share premium £000	Profit and loss account £000	Total shareholders' Funds £000
COMPANY					
1 November 2003	135	-	6,217	(4,619)	1,733
Loss for the financial period	-	-	-	(530)	(530)
Purchase of own shares	(15)	15	-	-	-
31 October 2004	<u>120</u>	<u>15</u>	<u>6,217</u>	<u>(5,149)</u>	<u>1,203</u>

First Artist Corporation plc

ACCOUNTING POLICIES

20	CASH FLOWS	Year 2004 £000	Period 2003 £000
A	Reconciliation of operating loss to net cash inflow/(outflow) from operating activities		
	Operating loss	(447)	(14,937)
	Depreciation	67	166
	Amortisation of goodwill	92	11,820
	Loss on disposals of fixed assets	(1)	41
	Share of operating loss of associates	-	97
	Decrease in debtors	1,208	2,232
	Decrease in creditors	(533)	(101)
	Exchange	(73)	59
	Net cash inflow/(outflow) from operating activities	<u>313</u>	<u>(623)</u>
b	Analysis of cash flows for headings netted in the cash flow		
	Returns on investments and servicing of finance		
	Interest received	8	11
	Interest paid	(45)	(48)
	Interest element of finance lease rental payments	(9)	(6)
	Net cash outflow from returns on investments and servicing of finance	<u>(46)</u>	<u>(43)</u>
	Taxation		
	UK corporation tax recovered/(paid)	122	-
	Overseas tax paid	(35)	(97)
	Net cash inflow/(outflow) from taxation	<u>87</u>	<u>(97)</u>
	Capital expenditure and financial investment		
	Purchase of tangible fixed assets	(24)	(89)
	Sale of tangible fixed assets	46	132
	Net cash inflow from capital expenditure and financial investment	<u>22</u>	<u>43</u>
	Acquisitions and disposals		
	Additional consideration on acquisition of subsidiary undertakings	(92)	(67)
	Payments to acquire an interest in associated undertakings	-	(74)
	Net cash outflow from acquisitions and disposals	<u>(92)</u>	<u>(141)</u>
	Financing		
	Payment of deferred cash consideration	(17)	(545)
	Term Loan	100	-
	Capital element of finance lease rental payments	(76)	(55)
	Net cash inflow/(outflow) from financing	<u>7</u>	<u>(600)</u>

First Artist Corporation plc

ACCOUNTING POLICIES

20	CASH FLOWS (<i>continued</i>)	At 1 November 2003 £000	Cash flow £000	Other non cash changes £000	At 31 October 2004 £000
c	Analysis of changes in net debt				
	Cash at bank and in hand	156	154	-	310
	Bank overdrafts	(137)	137	-	-
		<u>19</u>	<u>291</u>	<u>-</u>	<u>310</u>
	Finance leases	(115)	76	(32)	(71)
	Debt due within one year	(265)	(50)	-	(315)
	Debt due after more than one year	(42)	(33)	-	(75)
		<u>(422)</u>	<u>(7)</u>	<u>(32)</u>	<u>(461)</u>
	Total	<u>(403)</u>	<u>284</u>	<u>(32)</u>	<u>(151)</u>

21 COMMITMENTS UNDER OPERATING LEASES

GROUP

At 31 October 2004 the Group had annual commitments under non-cancellable operating leases as follows:

	2004 £000	2003 £000
Plant and machinery		
expiring within one year	37	1
expiring in between two and five years	6	23
Land and buildings		
expiring in between two and five years	27	27
expiring after more than five years	28	28
	<u> </u>	<u> </u>

COMPANY

	2004 £000	2003 £000
Plant and machinery		
expiring within one year	37	1
expiring in between two and five years	6	5
Land and buildings		
expiring in between two and five years	-	-
expiring after more than five years	28	28
	<u> </u>	<u> </u>

First Artist Corporation plc

ACCOUNTING POLICIES

22 FINANCIAL INSTRUMENTS

The Group's financial instruments comprise cash and short term deposits, finance leases and other borrowings and various items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to fund the Group's operations, manage working capital and invest surplus funds.

It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and foreign currency risk. The Board reviews and agrees policies for the management of these risks and these are summarised below. These policies have remained unchanged throughout the year.

Interest Rate Risk

The Group's cash balances and deposits and debt through term borrowings will be subject to fluctuations in current and future interest rates. Debt in the form of deferred consideration for the acquisition of subsidiary companies and unincorporated businesses and all other significant financial assets and liabilities do not bear interest. The Group monitors the rates of interest receivable and payable on its cash and debt balances, but given the nature of these assets and liabilities, interest liabilities are not capped.

Liquidity risk

It is the Group's policy to finance its business through internally generated funds with surplus funds invested in short and medium fixed term money market deposits. Requirements are kept under regular review by the Board and group companies have negotiated overdraft facilities with their bankers in order to minimise any exposure to short term liquidity risks.

Foreign currency risk

The subsidiary, FIMO Sport Promotion AG based in Switzerland ceased operations during the period. It regards the Swiss Franc as its functional currency and there remain intergroup balances outstanding between itself and its subsidiary, Promosport Sarl and its holding company. Promosport Sarl is based in Italy and produces accounts in Euros.

The Company and its subsidiaries enter into transfer deals and other transactions denominated in Sterling, Swiss Francs, Euros and US Dollars. The Group's revenue and expenditure can therefore be affected by foreign currency exchange movements.

The Board monitors all foreign currency exposure but the Company does not currently hedge against movements in the exchange rates of Sterling and foreign currencies in respect of any financial assets and liabilities.

First Artist Corporation plc

ACCOUNTING POLICIES

22 FINANCIAL INSTRUMENTS (continued)

Interest rate profile of financial assets and liabilities.

The interest rate profile of the Group's financial assets at 31 October 2004 was:

Currency	Total £000	Assets on which no interest is paid £000	Floating rate financial assets £000	Fixed rate financial assets £000
Sterling	1,216	1,096	120	-
Swiss Franc	189	146	43	-
Euro	1,135	990	145	-
US Dollar	13	11	2	-
	<u>2,553</u>	<u>2,243</u>	<u>310</u>	<u>-</u>

The interest rate profile of the Group's financial assets at 31 October 2003 was:

Currency	Total £000	Assets on which no interest is paid £000	Floating rate financial assets £000	Fixed rate financial assets £000
Sterling	2,010	2,004	6	-
Swiss Franc	27	26	1	-
Euro	1,406	1,285	121	-
US Dollar	217	189	28	-
	<u>3,660</u>	<u>3,504</u>	<u>156</u>	<u>-</u>

The interest rate profile of the Group's financial liabilities at 31 October 2004 was:

Currency	Total £000	Non- interest bearing £000	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Interest rate %
Sterling	1,662	1,444	118	100	7%
Swiss Francs	81	81	-	-	
Euro	475	475	-	-	
US Dollar	13	13	-	-	
	<u>2,231</u>	<u>2,013</u>	<u>118</u>	<u>100</u>	

First Artist Corporation plc

ACCOUNTING POLICIES

22 FINANCIAL INSTRUMENTS (continued)

The interest rate profile of the Group's financial liabilities at 31 October 2003 was:

Currency	Total £000	Non- interest bearing £000	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Interest rate %
Sterling	1,835	1,583	137	115	7.3
Swiss Francs	334	334	-	-	
Euro	792	792	-	-	
US Dollar	34	34	-	-	
	<u>2,995</u>	<u>2,743</u>	<u>137</u>	<u>115</u>	

Foreign currency exposures

The table below shows the Group's currency exposures; in other words those transactional exposures that give rise to the net currency gains and losses recognised in the profit and loss account. Such exposures comprise the monetary assets and monetary liabilities of the Group that are not denominated in the functional currency of the group company involved. At 31 October 2004 these exposures were as follows:

Functional currency of group operation	Net foreign currency monetary assets/(liabilities)				
	Sterling £000	Swiss Franc £000	Euros £000	US Dollar £000	Total £000
Sterling	-	(767)	451	174	(142)
Swiss Franc	947	-	230	55	1,232
Euro	(373)	(213)	-	-	(586)
Total	<u>574</u>	<u>(980)</u>	<u>681</u>	<u>229</u>	<u>504</u>

At 31 October 2003 these exposures were as follows:

Functional currency of group operation	Net foreign currency monetary assets/(liabilities)				
	Sterling £000	Swiss Franc £000	Euros £000	US Dollar £000	Total £000
Sterling	-	(744)	-	159	(585)
Swiss Franc	943	-	447	169	1,559
Euro	(104)	-	-	-	(104)
Total	<u>839</u>	<u>(744)</u>	<u>447</u>	<u>328</u>	<u>870</u>

First Artist Corporation plc

ACCOUNTING POLICIES

22 FINANCIAL INSTRUMENTS (*continued*)

Maturity of financial liabilities

The maturity profile of the Group's financial liabilities at 31 October 2004 was:

	2004 £000	2003 £000
In one year or less, or on demand	2,133	2,908
In more than one year, but not more than two years	48	87
In more than two years, but not more than five years	50	-
	<u>2,231</u>	<u>2,995</u>

Borrowing Facilities

At 31st October 2004 the Group companies had undrawn overdraft facilities at 31 October 2004 of £500,000 and 25,000 Euros (2003: £500,000 and 25,000 Euros). On 7 January 2005 these facilities were renewed

On 7 January 2005 these facilities were renewed the Group also agreed a term loan facility of up to £300,000 available to assist with the funding of acquisitions. At present this new facility remains undrawn.

Fair Value of Assets and Liabilities

There is no material difference between the fair value of the Group's assets and liabilities and their book value as shown in the financial statements.

23 POST BALANCE SHEET EVENTS

Since 31 October 2004, the Company has acquired the staff, player contracts and business assets of Team Sport Management Limited and is merging this operation into its London Office.

24 RELATED PARTY DISCLOSURES

During the year, the Group procured services totalling £25,000 (2003: £52,000) from Splash Events Limited, a company 50% owned by Mrs J M Smith, wife of Mr J A Smith. She also has the use of a company car. No balances were outstanding at 31 October 2004.

During the year, the Group procured services totalling £20,000 (2003: £27,000) from Mrs Sarah Smith, wife of Mr P Smith. She also has the use of a company car. No balances were outstanding at 31 October 2004.

First Artist Corporation plc

ACCOUNTING POLICIES

25	TRANSACTIONS WITH DIRECTORS	2004 £000	2003 £000
	Amounts owed to Directors:		
	Mr J A Smith	118	149
	Mr V Morabito	-	153
		<u>118</u>	<u>302</u>
		<u><u>118</u></u>	<u><u>302</u></u>

The loan due to Mr J A Smith is unsecured and repayable on demand.

The loan due to Mr V Morabito is unsecured and repayable on settlement of the outstanding deferred consideration due in respect of the acquisition of FIMO Sport Promotions AG.

Included in other interest payable are amounts of £6,000 (2003: £10,000) payable to Mr J A Smith.

Part of the company's business premises are personally owned by Mr J A Smith, for which the Company pays a commercial rent of £28,000 per annum.

26 CONTINGENCIES

At 31 October 2004, the Company's bank had granted guarantees on behalf of the Company amounting to £25,000 (2003: £44,000), representing CHF 50,000 (2003: CHF 100,000) converted at the prevailing period end exchange rate. The Company has counter indemnified its bank for these guarantees and for any other amounts that may become payable to the bank on any account, by granting a legal charge over all its assets.

There were no other material contingent liabilities as at 31 October 2004.

First Artist Corporation plc

ACCOUNTING POLICIES

FIRST ARTIST CORPORATION PLC
("the Company")
Registered in England and Wales No. 2725009

Notice of Annual General Meeting

Notice is hereby given that the third Annual General Meeting of First Artist Corporation PLC will be held at the offices of SJ Berwin, 222 Gray's Inn Road, London WC1X 8XF on Thursday 28 April 2005 at 11.00am for the following purposes:

Ordinary business

- (1) To consider and, if thought fit, adopt the audited accounts of the Company for the period ended 31 October 2004 and the reports of the directors and auditors thereon.
- (2) To re-elect as a director Vincenzo Morabito, who retires under the provisions of the Articles of Association of the Company, and is eligible for re-appointment.
- (3) To re-elect as a director Timothy Chadwick who retires under the provisions of the Articles of Association of the Company, and is eligible for re-appointment.
- (4) To re-appoint Baker Tilly as auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next general meeting of the Company at which accounts are laid.
- (5) To authorise the Directors to determine the remuneration of the auditors.

Special business

To consider and, if thought fit, pass the following resolutions of which resolution (6) will be proposed as an ordinary resolution and resolutions (7) and (8) will be proposed as special resolutions:

- (6) To authorise the Directors of the Company generally and unconditionally pursuant to Section 80 of the Companies Act 1985 ("the Act") to allot relevant securities up to an aggregate nominal amount of £67,379.42 for the period expiring at the earlier of the conclusion of the next Annual General Meeting or the date 15 months from the date this resolution (6) comes into effect (unless previously revoked or varied by the Company in general meeting and provided that the Company may before such expiry make an offer or agreement which would or might require such relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to such an offer or agreement as if the authority conferred hereby had not expired) and so that all previous authorities given by the Company in general meeting pursuant to Section 80 of the Act are revoked (save to the extent relied upon prior to the passing of this resolution).
- (7) To empower the Directors (subject to the passing of resolution (6) above), during the period expiring on the earlier of the conclusion of the next Annual General Meeting of the Company and the date 15 months from the date that this resolution (7) comes into effect (save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of the offer or agreement as if the power conferred by this resolution had not expired), to allot or make offers or agreements to allot equity securities pursuant to the authority granted by resolution (6) above as if Section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited:
 - (a) to the allotment of equity securities in connection with a rights issue in favour of the holders of relevant shares and relevant employee shares, or in connection with any other form of issue of such securities in which such holders are offered the right to participate, in proportion (as nearly as

First Artist Corporation plc

ACCOUNTING POLICIES

may be) to their respective holdings but subject to such exclusion or other arrangements as the Directors consider necessary or expedient in connection with shares representing fractional entitlements or on account of either legal or practical problems arising in connection with the laws of any territory, or of the requirements of any generally recognised regulatory body or stock exchange in any territory; and

- (b) to the allotment of equity securities in consequence of the exercise of options over shares in the Company; and
 - (c) to the allotment (otherwise than pursuant to sub-paragraphs (a) and (b) above) of equity securities up to an aggregate nominal amount of £20,213.83.
- (8) To authorise the Company in accordance with Section 166 of the Act to make market purchases of up to an aggregate of 5,390,353 Ordinary Shares of 0.25p each in the capital of the Company at a price (exclusive of expenses) which is:
- (a) not less than 0.25 pence per share; and
 - (b) not more than 5% above the arithmetical average of the middle market quotations (as derived from the Daily Official List of the London Stock Exchange plc) for Ordinary Shares on the five business days preceding any such purchase;

and the authority conferred by this Resolution shall expire on the date of the Company's Annual General Meeting in 2006 (except in relation to the purchase of shares the contract for which was concluded before such date and might be executed wholly or partly after such date).

- (9) To authorise the directors to adopt the First Artist Corporation plc EMI share option plan rules as initialled for identification purposes by the Chairman and as summarised in this document.

SUMMARY OF PROVISIONS OF SHARE INCENTIVE SCHEME

First Artist Corporation plc (“the Company”) is proposing, subject to satisfaction of the qualifying conditions, to introduce an Inland Revenue approved Enterprise Management Incentive Share Option Plan (“the Plan”) in order to allow selected employees to share in the success of the group and promote motivation and retention. The Plan offers the opportunity of providing highly tax efficient share options.

The terms of the Plan are set out in summary below.

Grants of options

Options may be granted to eligible employees at the discretion of the Board. Options may only be granted during the period of 42 days following any of the following:

- i) the date of adoption of the plans by the Company;
- ii) the day following the announcement of yearly, half yearly or other period financial results of the Company;
- iii) any other date when the Directors resolve that exceptional circumstances justify the grant of options

First Artist Corporation plc

ACCOUNTING POLICIES

Eligibility

All full-time employees and directors shall be eligible to participate in the Plan provided they do not have a material interest in the company. An individual will have a material interest if they, individually or together with their associates own 30% or more of the share capital.

Performance Criteria

The Board may impose performance conditions which will have to be satisfied before options may be exercised.

Exercise Price

Options must have an exercise price no lower than the nominal value of a share.

Limit of participation

A participant may not hold options under the Plan over shares with a market value in excess of £100,000 as at the date of grant.

Total number of shares available

In the ten year period from the date of adoption of the Plan no more than 10% of the ordinary issued share capital of the company from time to time may be allocated under the Plan or any other employee share option plan operated by the Company.

Exercise of options

Options shall generally be exercisable after a period of between one and three years or more and up to ten years from the date of grant. In the case of a takeover or statutory reconstruction the option holder shall be able to exercise options within a period of forty days of the date when the takeover or reconstruction is completed.

Option holders may also be able to exchange their options under the Plan for options over the shares of the company making any takeover.

Employees leaving the company

If an option holder ceases to hold office or employment with any company in the group for whatever reason prior to the date of exercise all options will normally lapse save that the Board shall have the discretion to permit individuals to retain their options on leaving. The board has indicated that their discretion would only be exercised where an employee was a "good leaver" eg in the event of retirement or leaving due to injury or disability.

Variation of share capital

In the event of a variation of share capital the directors may adjust the number of shares under option and the exercise price to reflect such variation. This adjustment shall be subject to confirmation by the Auditors that such adjustment is fair and reasonable. Such adjustment may need to be agreed in advance by the Inland Revenue.

Alteration of Plan

The directors may at any time alter or amend the provision of this plan but, in general, no alteration shall be made without the prior approval by ordinary resolution of the members of the company in general meeting.

First Artist Corporation plc

ACCOUNTING POLICIES

Any such alteration will not need to be so approved where the amendments are minor, to benefit the administration of the plan, to take account of a change in legislation or to obtain or maintain favourable tax treatment.

Pensions

Benefits under this plan will not be pensionable.

Grantor of options

The Board may decide to operate the Plan by way of subscription options. As an alternative an employee benefit trust "EBT" may be formed and the trustees requested to grant options over shares held or to be purchased by the trustees. In this event the trustees will not be permitted to acquire more than 5% of the issued share capital of the Company for use in the plans.

Registered Office:

87 Wembley Hill Road
Wembley
Middlesex HA9 8BU

By Order of the Board



Richard Michael Hughes
Secretary
1 April 2005

Notes

- (1) Any member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
- (2) A pre-paid form of proxy is enclosed. To be valid, the form of proxy (together with the power of attorney or other authority (if any) under which it is signed, or a notorially certified copy thereof) must be received at the registered office of the Company set out above not less than 48 hours before the time fixed for the meeting or any adjourned meeting at which the proxy is to vote.
- (3) Copies of the contracts of service between the Directors and the Company or any of its subsidiaries (other than contracts expiring or determinable by the employing company without compensation within one year) will be available for inspection at the registered office during normal business hours from the date of this Notice until the date of the Annual General Meeting and at the place of the meeting for 15 minutes prior to and during the meeting.

