

TOWNHOUSE PRODUCTIONS (UK) LIMITED

INDEX TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2000

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TOWNHOUSE PRODUCTIONS (UK) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

YEAR ENDED 31 DECEMBER 2000

Company Number	2673609
Directors	A K Draper F M C Draper
Secretary	F M C Draper
Registered Office	13 Trelawney Road Cotham Bristol BS6 6DX
Accountants	Millener Davies Southfield House 2 Southfield Road Westbury on Trym Bristol BS9 3BH
Bank	National Westminster Bank plc PO Box 223 106 Whiteladies Road Bristol BS9 5AP

TOWNHOUSE PRODUCTIONS (UK) LIMITED

REPORT OF THE DIRECTORS

YEAR ENDED 31 DECEMBER 2000

The Directors have pleasure in presenting their report and financial statements for the year ended 31 December 2000.

Directors Responsibilities in Relation to Financial Statements

The Directors are required by the Companies Act 1985 to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year.

In preparing the financial statements the Directors are required to select appropriate accounting policies and apply them consistently, to make reasonable and prudent judgements and estimates, and to state that all accounting standards which they consider to be applicable have been followed, save as disclosed in the notes to the financial statements. The Directors are also required to prepare the financial statements on the going concern basis unless it is inappropriate to do so.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enables them to ensure that the financial statements comply with the Companies Act 1985. The Directors also have responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Principal Activities and Business Review

The principal activities of the company throughout the year were those of the production of video programmes for the corporate market.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

TOWNHOUSE PRODUCTIONS (UK) LIMITED
REPORT OF THE DIRECTORS (CONTINUED)
YEAR ENDED 31 DECEMBER 2000

Results and Dividend

The results of the company for the year are set out on page 5.

The directors do not recommend the payment of a dividend this year.

Directors and Their Interests

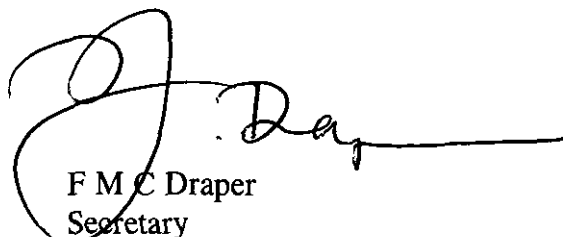
The directors who served the company throughout the year together with their interests (including family interests) in the shares of the company, were as follows:

	2000	1999
A K Draper	500	500
F M C Draper	500	500

Auditors

The company has, for the year in question taken advantage of the exemption under subsection (1) of section 249A of the Companies Act 1985 to dispense with the need for an auditor. Millener Davies continue however to prepare financial statements for the company.

BY ORDER OF THE BOARD


F M C Draper
Secretary

19 September 2001

TOWNHOUSE PRODUCTIONS (UK) LIMITED

**REPORT OF THE ACCOUNTANTS TO THE DIRECTORS OF
TOWNHOUSE PRODUCTIONS (UK) LIMITED**

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 December 2000, set out on pages 5 to 10 and you consider that the company is exempt from an audit under section 249(1) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.



MILLENER DAVIES
Chartered Accountants

Southfield House
2 Southfield Road
Westbury on Trym
Bristol BS9 3BH

19 September 2001

TOWNHOUSE PRODUCTIONS (UK) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2000

	Notes	2000 £	1999 £
Turnover	2	86,782	85,323
Cost of sales		(38,678)	(52,669)
Gross Profit		48,104	32,654
Net operating expenses		(36,512)	(44,807)
Operating Profit/(Loss)	3	11,592	(12,153)
Interest receivable and similar income		212	124
Interest payable and similar charges		(128)	(200)
Profit/(Loss) on ordinary activities before taxation		11,676	(12,229)
Tax on profit on ordinary activities	5	(1,695)	2,427
Profit/(Loss) on ordinary activities after taxation		9,981	(9,802)
Dividends	10	-	-
Profit/(Loss) for the Year		9,981 =====	(9,802) =====
Statement of Retained Profits			
Retained loss at 1 January 2000		(8,899)	903
Profit/(loss) for the year		9,981	(9,802)
Retained Profit/(Loss) at 31 December 2000		1,082 =====	(8,899) =====

There are no recognised gains and losses other than as disclosed above and there have been no discontinued activities or acquisitions in the year.

BALANCE SHEET

AT 31 DECEMBER 2000

	Notes	£	2000 £	1999 £
Fixed Assets				
Tangible assets	6		7,647	<u>7,697</u>
Current Assets				
Work in progress		-		1,000
Debtors	7	3,290		7,701
Bank accounts		<u>5,527</u>		<u>1,496</u>
		8,817		10,197
Creditors: Amounts falling due within one year	8	<u>(14,382)</u>		<u>(25,793)</u>
Net Current Liabilities			<u>(5,565)</u>	<u>(15,596)</u>
Total Assets less Current Liabilities			2,082	(7,899)
			== =	== =
Capital and Reserves				
Called up share capital	9		1,000	1,000
Profit and loss account			<u>1,082</u>	<u>(8,899)</u>
			2,082	(7,899)
			== =	== =

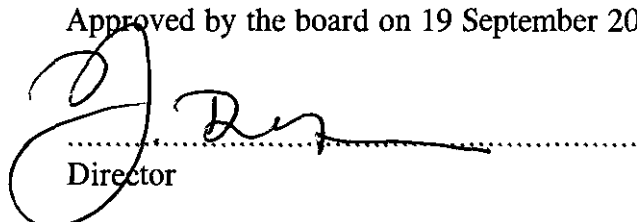
For the year ended 31 December 2000 the company was entitled to exemption under section 249A(1) of the Companies Act 1985

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2).

The directors acknowledge their responsibility for:

- i Ensuring the company keeps accounting records which comply with section 221; and
- ii Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

Approved by the board on 19 September 2001


Director


Director

TOWNHOUSE PRODUCTIONS (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2000****1 Accounting Policies**

a **Accounting Basis and Standards** - The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

b **Fixed Assets** - Fixed assets are stated at their purchase price, together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values on a reducing balance basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Improvements	15%
Office equipment	20%
Fixtures and fittings	20%

c **Turnover** - Turnover represents the invoiced value of goods and services supplied, net of VAT.

d **Taxation** - The charge for taxation is based on the results for the period as adjusted for disallowable items.

2 Turnover

Turnover is attributable to the one principal activity of the company which arose wholly in the United Kingdom.

TOWNHOUSE PRODUCTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 DECEMBER 2000

	2000	1999
	£	£
3 Operating Profit		
Operating profit is stated after charging:		
Depreciation	1,802	1,795
	==	==

4 Employee Information

The average number of persons employed by the company (including directors) during the year was 2 (1999: 2).

The total remuneration was:

Salaries	23,335	21,250
Social Security costs	706	5,270
Pension contributions	-	<u>3,000</u>
	24,041	29,520
	==	==

5 Taxation

Corporation tax based on results for the year	1,695	Nil
	==	==

TOWNHOUSE PRODUCTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 DECEMBER 2000

6 Tangible Assets

	Improve- ments	Office Equipment	Fixtures Fittings	Total
Cost				
At 1 January 2000	5,005	8,775	7,370	21,150
Additions	<u>-</u>	<u>1,326</u>	<u>426</u>	<u>1,752</u>
At 31 December 2000	<u>5,005</u>	<u>10,101</u>	<u>7,796</u>	<u>22,902</u>
Depreciation				
At 1 January 2000	3,249	6,008	4,196	13,453
Charge for year	<u>263</u>	<u>818</u>	<u>721</u>	<u>1,802</u>
At 31 December 2000	<u>3,512</u>	<u>6,826</u>	<u>4,917</u>	<u>15,255</u>
Net Book Value				
At 31 December 2000	1,493	3,275	2,879	7,647
	===	===	===	===
at 31 December 1999	1,756	2,767	3,174	7,697
	===	===	===	===

2000 1999
£ £

7 Debtors: Amounts falling due within one year

Trade debtors	2,991	4,975
PAYE refund	299	299
Corporation tax refund	<u>-</u>	<u>2,427</u>
	3,290	7,701
	===	===

TOWNHOUSE PRODUCTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 DECEMBER 2000

	2000 £	1999 £
8 Creditors: Amounts falling due within one year		
Trade creditors	1,703	5,752
Directors' loan accounts	6,001	17,398
Corporation tax	1,695	-
PAYE and VAT	3,911	1,296
Accruals	<u>1,072</u>	<u>1,347</u>
	14,382	25,793
	== =	== =
9 Called Up Share Capital		
Authorised ordinary shares of £1 each	1,000	1,000
	== =	== =
Called up, allocated and fully paid ordinary shares of £1 each	1,000	1,000
	== =	== =
10 Dividends		
No dividends paid in year (1999 Nil)	-	-
	== =	== =