

THE GUMBY CORPORATION LIMITED

ABBREVIATED ACCOUNTS

30TH JUNE, 1996

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chartered accountants

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c h a r t e r e d a c c o u n t a n t s

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AUDITORS' REPORT TO THE DIRECTORS OF

THE GUMBY CORPORATION LIMITED

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 3 to 5 together with the full financial statements of The Gumby Corporation Limited for the year ended 30th June, 1996. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors' statement on page 3 and that the abbreviated accounts have been properly prepared from the full financial statements.

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Part III of Schedule 8 to that Act in respect of the year ended 30th June, 1996 and the abbreviated accounts on pages 3 to 5 have been properly prepared in accordance with that Schedule.

We reported, as auditors of The Gumby Corporation Limited to the members on the full financial statements prepared under section 226 of the Companies Act 1985 for the year ended 30th June, 1996 and our audit report was as follows:

"We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

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.

AUDITORS' REPORT TO THE DIRECTORS OF
THE GUMBY CORPORATION LIMITED - CONTINUED

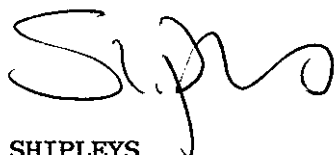
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

Basis of opinion - continued

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30th June, 1996 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985."

A handwritten signature in dark ink, appearing to be 'Shipleys', written in a cursive style.

SHIPLEYS

Registered Auditors

20 MAR 1997

THE GUMBY CORPORATION LIMITED

ABBREVIATED BALANCE SHEET

AT 30TH JUNE, 1996

| | Notes | £ | 1996 £ | £ | 1995 £ |
|---|-------|------------------|---------------|------------------|----------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 2.1 | | 15,691 | | 28,204 |
| Investments | 2.2 | | <u>50</u> | | <u>50</u> |
| | | | 15,741 | | 28,254 |
| CURRENT ASSETS | | | | | |
| Debtors | | 146,314 | | 91,756 | |
| Cash at bank | | <u>453,808</u> | | <u>116,408</u> | |
| | | 600,122 | | 208,164 | |
| CREDITORS: Amounts falling due within one year | | <u>(614,139)</u> | | <u>(226,256)</u> | |
| NET CURRENT LIABILITIES | | | (14,017) | | (18,092) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>£1,724</u> | | <u>£10,162</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 3 | | 100 | | 100 |
| Profit and loss account | | | <u>1,624</u> | | <u>10,062</u> |
| EQUITY SHAREHOLDERS' FUNDS | | | <u>£1,724</u> | | <u>£10,162</u> |

In preparing these abbreviated accounts the directors have:

- relied upon exemptions for individual accounts conferred by Part III of Schedule 8 to the Companies Act 1985 and
- done so on the grounds that, in their opinion, the company is entitled to those exemptions as a small company.

Approved by the Board on 18 MAR 1997


M.E. Palin - Director

The notes on pages 4 and 5 form part of these accounts.

THE GUMBY CORPORATION LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS

30TH JUNE, 1996

1. ACCOUNTING POLICIES

1.1 Accounting convention

These accounts have been prepared under the historical cost convention.

1.2 Depreciation

Fixed assets are depreciated over their estimated useful lives on the straight line method as follows:

| | |
|----------------------------------|-----------------|
| Studio facilities | - 15% per annum |
| Fixtures, fittings and equipment | - 15% per annum |

1.3 Turnover

Turnover represents receipts for services provided in the United Kingdom, net of value added tax. Due to the nature of the company's principal activities, any profit shares or royalty income are accounted for on a cash received or notified basis which is in contravention of Statement of Standard Accounting Practice No. 2.

1.4 Foreign Exchange

All year-end balances expressed in a foreign currency are translated at rates ruling at the balance sheet date. Any differences on exchange are charged or credited to the profit and loss account. Transactions denominated in foreign currencies are translated into sterling and recorded at the rates of exchange ruling at the date of the transaction.

1.5 Cash flow statement

The company is a small company as defined by sections 246 and 247 of the Companies Act 1985. It has therefore taken advantage of the exemption conferred by Financial Reporting Standard Number 1 not to prepare a cash flow statement.

1.6 Finance lease income

Assets held under finance leases are shown as debtors in the accounts. Income from the lease of such assets is calculated to give a constant rate of return over the period of the lease.

THE GUMBY CORPORATION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - CONTINUED

30TH JUNE, 1996

2. FIXED ASSETS

2.1 Tangible Assets

£

Cost

| | |
|--------------------|----------------|
| At 1st July, 1995 | 293,079 |
| Disposals in year | (89,615) |
| At 30th June, 1996 | <u>203,464</u> |

Depreciation

| | |
|---------------------|----------------|
| At 1st July, 1995 | 264,875 |
| Charge for the year | 6,513 |
| Disposals in year | (83,615) |
| At 30th June, 1996 | <u>187,773</u> |

Net Book Value

| | |
|--------------------|----------------|
| At 30th June, 1996 | <u>£15,691</u> |
| At 30th June, 1995 | <u>£28,204</u> |

2.2 Investments

£

Cost

| | |
|--|---------|
| At 1st July, 1995 and at 30th June, 1996 | 4,050 |
| Provision for non-recoverability in year and at 30th June, 1996 | (4,000) |

| | |
|-----------|------------|
| Net Value | <u>£50</u> |
|-----------|------------|

3. SHARE CAPITAL

1996

1995

Authorised

| | | |
|----------------------------------|---------------|---------------|
| 1,000 Ordinary shares of £1 each | <u>£1,000</u> | <u>£1,000</u> |
|----------------------------------|---------------|---------------|

Allotted, Called Up and Fully Paid

| | | |
|--------------------------------|-------------|-------------|
| 100 Ordinary shares of £1 each | <u>£100</u> | <u>£100</u> |
|--------------------------------|-------------|-------------|

4. DIRECTOR'S INTEREST

During the year the company received fees from a partnership and companies in which a director, Mr. Palin, had an interest amounting to £205,967 (1995: £219,277).