

# Snowman Enterprises Limited

## FINANCIAL STATEMENTS

for the year ended

30 June 1998



# Snowman Enterprises Limited

## DIRECTORS AND OFFICERS

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### DIRECTORS

J P Coates	Chairman
I Harvey	
C J Engle	
P J Milne-Smith	

### SECRETARY

N D Kauffman

### COMPANY NUMBER

01603770 (England and Wales)

### REGISTERED OFFICE

2 Bloomsbury Street  
London  
WC1B 3ST

### AUDITORS

Baker Tilly  
Chartered Accountants  
2 Bloomsbury Street  
London  
WC1B 3ST

# Snowman Enterprises Limited

## DIRECTORS' REPORT

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The directors submit their report and the financial statements of Snowman Enterprises Limited for the year ended 30 June 1998.

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of making, producing and directing animated films.

### REVIEW OF THE BUSINESS

The directors are very pleased with the results for the year and anticipate continued success in the ensuing year.

### RESULTS AND DIVIDENDS

The trading loss for the year after taxation was £32,129 (1997 : £9,702).

The directors do not recommend the payment of a dividend.

### DIRECTORS

The following directors have held office during the year:-

J P Coates	
I Harvey	
C J Engle	(appointed 13 July 1998)
P J Milne-Smith	(appointed 21 April 1998)
S D Hall	(resigned 9 March 1998)
Ms E M Attenborough	(resigned 9 March 1998)

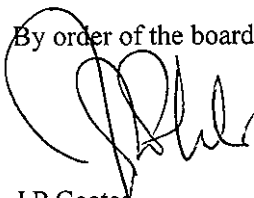
### DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

None of the directors held any interests in the shares of the company during the year.

### AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the board on 1 February 1999



J P Coates  
Director

# Snowman Enterprises Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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Company law requires directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, 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. 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.

## AUDITORS' REPORT TO THE MEMBERS OF SNOWMAN ENTERPRISES LIMITED

We have audited the financial statements on pages 5 to 10.

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

As described on page 3 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.

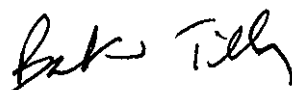
### **Basis of opinion**

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.

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 at 30 June 1998 and of its 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 5ST

1 February 1999

# Snowman Enterprises Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 30 June 1998

	<i>Notes</i>	1998 £	1997 £
TURNOVER	1	419,901	553,901
Cost of sales		87,800	105,849
		<hr/>	<hr/>
Gross profit		332,101	448,052
Other operating expenses (net)	2	337,467	453,513
		<hr/>	<hr/>
OPERATING LOSS		(5,366)	(5,461)
Investment income		1,986	5,997
Interest payable and similar charges	3	(36)	(433)
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(3,416)	103
Taxation	5	(28,713)	(9,805)
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION RETAINED FOR THE YEAR	10	(32,129)	(9,702)
		<hr/>	<hr/>

The operating loss for the year arises from the company's continuing operations.

No separate statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

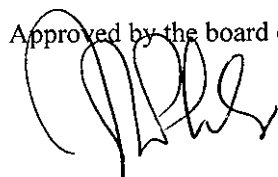
# Snowman Enterprises Limited

## BALANCE SHEET

30 June 1998

	Notes	1998 £	1997 £
FIXED ASSETS			
Intangible assets	6	100,000	100,000
CURRENT ASSETS			
Debtors	7	30,775	16,186
Cash at bank and in hand		41,565	82,301
		72,340	98,487
CREDITORS: Amounts falling due within one year	8	85,702	79,720
NET CURRENT LIABILITIES		(13,362)	18,767
TOTAL ASSETS LESS CURRENT LIABILITIES		86,638	118,767
CAPITAL AND RESERVES			
Called up share capital	9	100	100
Profit and loss account	10	86,538	118,667
		86,638	118,767

Approved by the board on 1 February 1999



J P COATES

Director

# Snowman Enterprises Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

### DEFERRED TAXATION

Provision is made for taxation deferred or accelerated by the effect of timing differences, to the extent that it is probable that a liability will crystallise, at the rate expected to be ruling at that date.

### TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

### FILM PRODUCTION COSTS

Film production costs to 30 June 1985 have been capitalised when incurred.

Amounts have been written off against income to reduce the costs to a written down value of £100,000 which in Directors' opinion is a fair value of the assets. Subsequent costs have been written off as they are incurred.



# Snowman Enterprises Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 1998

### 1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and profit before taxation were all derived from its principal activity. Sales were made in the following geographical markets:

	1998 £	1997 £
United Kingdom	80,088	61,517
Europe	9,164	14,227
Far East and Australia	224,997	224,138
USA and Canada	105,652	254,019
	<u>419,901</u>	<u>553,901</u>

### 2 OTHER OPERATING EXPENSES (NET)

	1998 £	1997 £
Administration expenses	337,467	453,513
	<u>337,467</u>	<u>453,513</u>

### 3 INVESTMENT INCOME

	1998 £	1997 £
Bank interest receivable	1,986	5,997
	<u>1,986</u>	<u>5,997</u>

### 4 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	1998 £	1997 £
Loss on ordinary activities before taxation is stated after charging:		
Auditors' remuneration	2,000	2,000
	<u>2,000</u>	<u>2,000</u>

### 5 TAXATION

	1998 £	1997 £
Based on the loss for the year:		
UK corporation tax at 24% (1997 - 24%)	-	351
Surplus withholding tax	28,713	9,454
	<u>28,713</u>	<u>9,805</u>

**Snowman Enterprises Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 1998

6	INTANGIBLE FIXED ASSETS		£
	Cost		
	1 July 1997 and 30 June 1998		308,446
			<u>          </u>
	Amortisation:		
	1 July 1997 and 30 June 1998		208,446
			<u>          </u>
	Net book value		
	30 June 1998 and 30 June 1997		100,000
			<u>          </u>
		1998	1997
		£	£
7	DEBTORS		
	Due within one year:		
	Trade debtors	755	890
	Other debtors	30,020	15,296
		<u>          </u>	<u>          </u>
		30,775	16,186
		<u>          </u>	<u>          </u>
		1998	1997
		£	£
8	CREDITORS: Amounts falling due within one year		
	Trade creditors	13,752	3,290
	Amount due to parent company	11,600	9,223
	Amounts due to associated undertaking	55,187	61,867
	Accruals	5,163	5,340
		<u>          </u>	<u>          </u>
		85,702	79,720
		<u>          </u>	<u>          </u>
		1998	1997
		£	£
9	SHARE CAPITAL		
	Authorised, issued and fully paid:		
	100 ordinary shares of £1 each	100	100
		<u>          </u>	<u>          </u>
		1998	1997
		£	£
10	PROFIT AND LOSS ACCOUNT		
	1 July 1997	118,667	128,369
	Loss for the year	(32,129)	(9,702)
		<u>          </u>	<u>          </u>
	30 June 1998	86,538	118,667
		<u>          </u>	<u>          </u>

# Snowman Enterprises Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 1998

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	1998	1997
	£	£
11 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS		
Loss for the financial year	(32,129)	(9,702)
Opening shareholders' funds	118,767	128,469
	<u>86,638</u>	<u>118,767</u>

## 12 ULTIMATE PARENT COMPANY

The ultimate parent company is TV Cartoons Limited, incorporated in England.