

Snowman Enterprises Limited

FINANCIAL STATEMENTS

for the year ended

30 June 2001



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COMPANIES HOUSE 12/03/02

Snowman Enterprises Limited

DIRECTORS AND OFFICERS

DIRECTORS

J P Coates	Chairman
N D Kauffman	
C J Engle	
S M Floyer	

SECRETARY

N D Kauffman

COMPANY NUMBER

01603770 (England and Wales)

REGISTERED OFFICE

2 Bloomsbury Street
London
WC1B 3ST

AUDITORS

Baker Tilly
Chartered Accountants
12 Gleneagles Court
Brighton Road
Crawley
West Sussex
RH10 6AD

Snowman Enterprises Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Snowman Enterprises Limited for the year ended 30 June 2001.

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 satisfied with the level of income and profit generated by the film in the year under review.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £20,967. The directors do not recommend the payment of a dividend.

DIRECTORS

The following directors have held office during the year:

J P Coates
N D Kauffman
C J Engle
P J Milne-Smith

On 25 September 2001, Mrs P J Milne-Smith resigned as a director and Ms S M Floyer was appointed in her place.

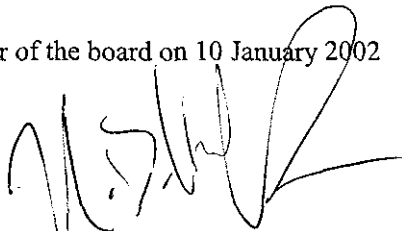
DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

None of the directors held any interest 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 10 January 2002



N D KAUFFMAN
Secretary

Snowman Enterprises Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BAKER TILLY

Registered Auditor
Chartered Accountants
12 Gleneagles Court
Brighton Road
Crawley
West Sussex
RH10 6AD

25 January 2002

Snowman Enterprises Limited

PROFIT AND LOSS ACCOUNT

for the year ended 30 June 2001

	<i>Notes</i>	2001 £	2000 £
TURNOVER	1	449,465	686,692
Cost of sales		89,075	133,645
Gross profit		<u>360,390</u>	<u>553,047</u>
Other operating expenses (net)	2	<u>317,485</u>	<u>550,503</u>
OPERATING PROFIT		42,905	2,544
Investment income	3	820	1,460
Interest payable	4	<u>(34)</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	43,691	4,004
Taxation	6	<u>(22,724)</u>	<u>(24,670)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION RETAINED FOR THE YEAR	11	<u>20,967</u>	<u>(20,666)</u>

The operating result 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 2001

	<i>Notes</i>	2001 £	2000 £
FIXED ASSETS			
Intangible assets	7	100,000	100,000
CURRENT ASSETS			
Debtors	8	13,958	14,419
Cash at bank		42,604	43,390
		56,562	57,809
CREDITORS: Amounts falling due within one year	9	80,930	103,144
NET CURRENT LIABILITIES		(24,368)	(45,335)
		75,632	54,665
CAPITAL AND RESERVES			
Called up share capital	10	100	100
Profit and loss account	11	75,532	54,565
		75,632	54,665

Approved by the board on 10 January 2002



J P COATES

Director

Snowman Enterprises Limited

ACCOUNTING POLICIES

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 invoice 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. Subsequent costs have been written off as they are incurred.

The Directors undertake an annual impairment review encompassing the level of income generated by the film and market conditions in relation to the sale of film rights. In their opinion, the asset is shown at a fair value.

Snowman Enterprises Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2001

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:

	2001 £	2000 £
United Kingdom	101,856	247,158
Europe	10,653	11,392
Far East and Australia	206,718	240,651
USA and Canada	130,238	187,491
	<u>449,465</u>	<u>686,692</u>

2 OTHER OPERATING EXPENSES (NET)

	2001 £	2000 £
Administration expenses	<u>317,485</u>	<u>550,503</u>

3 INVESTMENT INCOME

	2001 £	2000 £
Bank interest receivable	<u>820</u>	<u>1,460</u>

4 INTEREST PAID

	2001 £	2000 £
Interest paid	<u>34</u>	<u>-</u>

5 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2001 £	2000 £
Profit on ordinary activities before taxation is stated after charging: Auditors remuneration	<u>2,300</u>	<u>2,050</u>

6 TAXATION

	2001 £	2000 £
Based on the profit for the year Overseas tax	<u>22,724</u>	<u>24,670</u>

Snowman Enterprises Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2001

7	INTANGIBLE FIXED ASSETS		£
	Cost		
	1 July 2000 and 30 June 2001		308,446
	Amortisation		
	1 July 2000 and 30 June 2001		208,446
	Net book value		
	30 June 2001 and 30 June 2000		100,000
8	DEBTORS	2001	2000
		£	£
	Due within one year:		
	Trade debtors	3,057	6,946
	Other debtors	10,656	7,228
	Prepayments	245	245
		13,958	14,419
9	CREDITORS: Amounts falling due within one year	2001	2000
		£	£
	Trade creditors	4,071	20,674
	Amount due to parent company	11,408	7,000
	Amounts due to associated undertaking	62,451	71,840
	Accruals	2,500	3,630
		80,930	103,144
10	SHARE CAPITAL	2001	2000
		£	£
	Allotted, issued and fully paid:		
	100 ordinary shares of £1 each	100	100
11	PROFIT AND LOSS ACCOUNT	2001	2000
		£	£
	1 July 2000	54,565	75,231
	Profit/(loss) for the year	20,967	(20,666)
	30 June 2001	75,532	54,565

Snowman Enterprises Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2001

12	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2001 £	2000 £
	Result for the year	20,967	(20,666)
	Opening shareholders' funds	54,665	75,331
	Closing shareholders' funds	<u>75,632</u>	<u>54,665</u>

13 ULTIMATE PARENT COMPANY

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