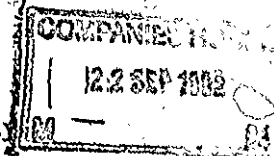


GRANT NAYLOR PRODUCTIONS LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 1991

Company number : 02468538



Baker Tilly

Chartered Accountants

2 Bloomsbury Street

London WC1B 3ST

DIRECTORS AND OFFICERS

DIRECTORS

R Grant Chairman
D Naylor

SECRETARY

CA Bell

REGISTERED OFFICE

19 Denmark Street
London WC2H 8NA

AUDITORS

Baker Tilly
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

DIRECTORS' REPORT

The directors submit their report and the financial statements of Grant Naylor Productions Limited for the year ended 31 December 1991.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of television producers.

REVIEW OF THE BUSINESS

The directors consider the results for the year to be satisfactory, with an increase in turnover reflected in higher retained profits.

FUTURE DEVELOPMENTS

The directors consider that the company shall continue to produce television programmes.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £10,173.

The directors do not recommend a dividend.

DIRECTORS

The following directors have held office since 1 January 1991:-

KP Jackson (resigned 5 November 1991)
R Grant
D Naylor

DIRECTORS' INTERESTS IN SHARES

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

	Ordinary shares of £1 each	
	31.12.91	31.12.90
R Grant	25	25
D Naylor	25	25

Mr KP Jackson has an interest in 27% of the shares of Noel Gay Television Limited, an associated undertaking holding 50% of the shares of the company.

DIRECTORS' REPORT

FIXED ASSETS

The significant changes in fixed assets during the year are explained in note 7 to the financial statements.

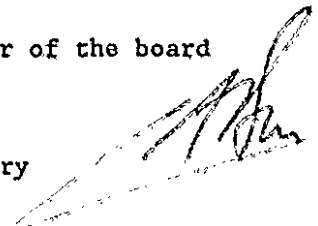
AUDITORS

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

CA Bell

Secretary



AUDITORS' REPORT TO THE MEMBERS OF GRANT NAYLOR PRODUCTIONS LIMITED

We have audited the financial statements on pages 5 to 11 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1991 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Baw Tully

Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

28 July 1992

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 1991

	Notes	1991	1990
TURNOVER	1	1,313,271	719,726
Cost of sales		(1,155,349)	(656,794)
Gross profit		<u>157,922</u>	<u>62,932</u>
Other operating expenses (net)	2	(150,156)	(56,180)
OPERATING PROFIT		<u>7,766</u>	<u>6,752</u>
Investment income	3	6,392	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	<u>14,158</u>	<u>6,752</u>
Taxation	6	(3,985)	(1,750)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	11	<u>£ 10,173</u>	<u>£ 5,002</u>

BALANCE SHEET
31 December 1991

	Notes	1991	1990
FIXED ASSETS			
Tangible assets	7	5,399	"
CURRENT ASSETS			
Debtors	8	15,951	32,207
Cash at bank and in hand		126,403	35,981
		<u>142,354</u>	<u>68,188</u>
CREDITORS			
Amounts falling due within one year	9	(132,478)	(63,086)
NET CURRENT ASSETS		<u>9,876</u>	<u>5,102</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ 15,275</u>	<u>£ 5,102</u>
CAPITAL AND RESERVES			
Called up share capital	10	100	100
Profit and loss account	11	15,175	5,002
		<u>£ 15,275</u>	<u>£ 5,102</u>

Approved by the board on 28 July 1992

R Grant

D Naylor

Directors

Dorey Naylor

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
for the year ended 31 December 1991

	1991	1990
SOURCE OF FUNDS		
Profit on ordinary activities before taxation	14,158	6,752
Items not involving the movement of funds: Depreciation	2,699	-
FUNDS GENERATED FROM OPERATIONS	<u>16,857</u>	<u>6,752</u>
FUNDS FROM OTHER SOURCES		
Issue of shares	-	100
	<u>16,857</u>	<u>6,852</u>
APPLICATION OF FUNDS		
Purchase of tangible fixed assets	8,098	-
Taxation paid	1,750	-
	<u>9,848</u>	<u>-</u>
NET SOURCE OF FUNDS	<u>£ 7,009</u>	<u>£ 6,852</u>
THE NET SOURCE OF FUNDS IS REPRESENTED BY THE FOLLOWING CHANGES IN WORKING CAPITAL		
Debtors	(16,256)	32,207
Creditors falling due within one year	(67,157)	(61,336)
	<u>(83,413)</u>	<u>(29,129)</u>
Movements in net liquid funds:		
Cash at bank and in hand	90,422	35,981
NET INCREASE IN WORKING CAPITAL	<u>£ 7,009</u>	<u>£ 6,852</u>

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost.

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

Electronic equipment over 3 years.

TURNOVER

Turnover represents production monies receivable, net of value added tax.

COST OF SALES

This comprises production costs which are matched against production income in the periods in which they arise.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1991

	1991	1990
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:		
United Kingdom	1,312,271	719,726
United States of America	1,000	-
	<u>£1,313,271</u>	<u>£719,726</u>
2. OTHER OPERATING EXPENSES (NET)		
Distribution costs	1,995	308
Administration expenses	148,161	55,872
	<u>£ 150,156</u>	<u>£ 56,180</u>
3. INVESTMENT INCOME		
Bank interest receivable	<u>£ 6,392</u>	<u>£ -</u>
4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration	<u>£ 1,200</u>	<u>£ 750</u>
5. EMPLOYEES		
The average weekly number of persons (including directors) employed by the company during the period was:		
Office and management	No. 5	No. 3
	-	-
Staff costs for the above persons:		
Wages and salaries	12,383	Nil
Social security costs	1,145	Nil
Other pension costs	-	Nil
	<u>£ 13,528</u>	<u>£ NIL</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1991

	1991	1990
DIRECTORS' REMUNERATION		
Fees	£ 6,000	£ NIL
Fees of £62,000 (1990: £12,000) were charged by companies controlled by the directors in respect of their services.		
	1991	1990
6. TAXATION		
Based on the profit of the period:		
UK Corporation tax at 25%	£ 3,985	£ 1,750
7. TANGIBLE FIXED ASSETS		
		Electronic Equipment
Cost		
1 January 1991		-
Additions		8,098
31 December 1991		8,098
Depreciation		
1 January 1991		-
Charged in the year		2,699
31 December 1991		2,699
Net Book Value		
31 December 1991		£ 5,399
	1991	1990
8. DEBTORS		
Due within one year:		
Trade debtors	6,695	32,107
Taxation	4,887	-
Other debtors	4,369	-
Called up share capital not paid	-	100
	£ 15,951	£ 32,207

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1991

	1991	1990
9. CREDITORS		
Balances due to associated undertakings	5,605	43,377
Corporation tax	3,985	1,750
Accruals	122,888	17,959
	<u>£ 132,478</u>	<u>£ 63,086</u>
10. SHARE CAPITAL		
Authorised:		
100 ordinary shares of £1 each	£ 100	£ 100
	<u> </u>	<u> </u>
Allotted, issued and fully paid:		
100 ordinary shares of £1 each	£ 100	£ 100
	<u> </u>	<u> </u>
11. PROFIT AND LOSS ACCOUNT		
1 January 1991	5,002	-
Profit for the period	10,173	5,002
31 December 1991	<u>£ 15,175</u>	<u>£ 5,002</u>
12. TRANSACTIONS WITH DIRECTORS		

During the year Mr KP Jackson had a material interest in a company which contracted with Grant Naylor Productions Limited for the supply of television production services. The transactions totalled £11,390 (1990: £29,900).