

Codemasters Limited

Report and Financial Statements

30 June 2001

Registered Number: 2585110



Codemasters Limited

Registered No. 2585110

DIRECTORS

R Darling

M Darling

SECRETARY

R Darling

AUDITORS

Ernst & Young LLP

One Colmore Row

Birmingham

B3 2DB

BANKERS

Fortis Bank

Camomile Court

23 Camomile Street

London

EC3A 7PP

REGISTERED OFFICE

Lower Farm House

Stoneythorpe

Southam

Warwickshire

CV47 2DL

Codemasters Limited

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 30 June 2001.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £nil (2000: loss £17,375). The directors do not recommend a final dividend (2000: £nil).

PRINCIPAL ACTIVITY

As part of group re-organisation, on 30 June 2000, the company disposed of its trade and assets to The Codemasters Software Company Limited, a fellow subsidiary of Codemasters Group Limited. The company has not traded since the transfer of trade and assets and there are no plans for the company to trade in the foreseeable future.

DIRECTORS AND THEIR INTERESTS

The directors had no interests in the share capital of the company as at 30 June 2001.

Their interests in the share capital of the ultimate holding company Codemasters Group Limited were as follows:

*At 30 June 2000 and
at 30 June 2001
Ordinary shares
of 5p each*

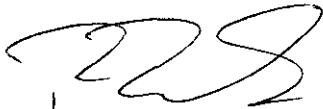
R Darling
M Darling

32,096,480

AUDITORS

On 28 June 2001, Ernst & Young, the Company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001. A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

On behalf of the board



R Darling
Director

Dated

1/3/2002

Codemasters Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the 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, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CODEMASTERS LIMITED

We have audited the company's financial statements for the year ended 30 June 2001 which comprise the Profit and Loss Account, Balance Sheet, and the related notes 1 to 12. These financial statements have been prepared on the basis of the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 affairs of the company as at 30 June 2001 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
Birmingham
Date

11 March 2002.

Codemasters Limited

PROFIT AND LOSS ACCOUNT for the year ended 30 June 2001

	Notes	2001 £	2000 £
TURNOVER	2	-	2,117,133
Cost of sales		-	(1,895,741)
GROSS PROFIT		-	221,392
Distribution costs		-	(67,373)
Administrative expenses		-	(342,864)
OPERATING PROFIT / (LOSS)	3	-	(188,845)
Interest receivable		-	5,370
Bank interest payable and similar charges		-	(318)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		-	(183,793)
Tax credit on profit / (loss) on ordinary activities	5	-	166,418
PROFIT / (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED FOR THE FINANCIAL YEAR	10	-	(17,375)

All turnover and costs relate to discontinued activities.

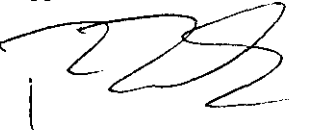
The company has no recognised gains and losses during the year other than those included in the profit and loss account shown above.

Codemasters Limited

BALANCE SHEET at 30 June 2001

	Notes	2001 £	2000 £
CURRENT ASSETS			
Debtors	6	108,727	359,029
		<u>108,727</u>	<u>359,029</u>
CREDITORS: amounts falling due within one year	7	-	(250,302)
		<u>108,727</u>	<u>108,727</u>
NET CURRENT ASSETS		<u>108,727</u>	<u>108,727</u>
		<u>108,727</u>	<u>108,727</u>
CAPITAL AND RESERVES			
Called up share capital	9	100	100
Share premium account	10	404,960	404,960
Profit and loss account	10	(296,333)	(296,333)
		<u>108,727</u>	<u>108,727</u>
EQUITY SHAREHOLDERS' FUNDS	10	<u>108,727</u>	<u>108,727</u>

Approved on behalf of the board on the date shown below:



R Darling
Director

Dated 1/3/2002

Codemasters Limited

NOTES TO THE FINANCIAL STATEMENTS at 30 June 2001

1. ACCOUNTING POLICIES

Accounting convention

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

Copyrights, patents and trademarks

The cost of copyrights, patents and trademarks, which have been treated as deferred expenditure in the accounts, are released to the profit and loss account over a period in accordance with the terms of the contract or if not defined, a three year period.

Fixed Assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation on all tangible fixed assets, other than freehold land, is provided at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset over its expected useful life as follows:

Fixtures and fittings	- 15% straight line
Computer equipment	- 25%-33% straight line

Deferred taxation

Deferred taxation is provided for using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing difference will reverse.

2. TURNOVER

Turnover, which is stated net of value added tax, relates to the discontinued operations of the company, being the development and marketing of computer games software.

An analysis of turnover by geographical market is given below:

	2001	2000
	£	£
United Kingdom	-	766,195
Europe	-	875,105
Rest of the world	-	475,833
	<u>-</u>	<u>2,117,133</u>

3. OPERATING PROFIT / (LOSS)

This is stated after charging:

	2001	2000
	£	£
Auditors' remuneration - audit services	-	7,800
Directors' remuneration	-	30,000
Depreciation of owned fixed assets	-	30,509
Amortisation of intangible fixed assets	-	196
	<u>-</u>	<u>-</u>

The directors have received no remuneration for their services to this company during 2001. Auditors' remuneration is borne by The Codemasters Software Company Limited.
The tangible and intangible fixed assets were transferred to The Codemasters Software Company Limited on 30 June 2000.

Codemasters Limited

NOTES TO THE FINANCIAL STATEMENTS at 30 June 2001

4. STAFF COSTS

	2001 £	2000 £
Wages and salaries	-	265,571
Social security costs	-	24,040
Pension contributions	-	3,120
	<u>-</u>	<u>292,731</u>

The average monthly number of persons employed by the company, including directors, during the year was as follows:

Management and administration	-	12
	<u>-</u>	<u>12</u>

5. TAX ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES

	2001 £	2000 £
Based on profit / (loss) for the year:		
Corporation tax (credit)	-	(149,417)
Over provision in respect of prior year	-	(6,584)
Deferred tax	-	(10,417)
	<u>-</u>	<u>(166,418)</u>

6. DEBTORS

	2001 £	2000 £
Amounts owed by group undertakings	108,727	-
Corporation tax recoverable	-	353,786
Foreign withholding taxes recoverable	-	5,243
	<u>108,727</u>	<u>359,029</u>

7. CREDITORS: amounts falling due within one year

	2001 £	2000 £
Amounts due to group undertakings	-	250,302
	<u>-</u>	<u>250,302</u>

Codemasters Limited

NOTES TO THE FINANCIAL STATEMENTS at 30 June 2001

8. PROVISION FOR LIABILITIES AND CHARGES

The movement in deferred taxation in the current and previous years are as follows:

	2001 £	2000 £
At 1 July 2000	-	-
Credit for the year	-	(10,417)
Transferred to group undertakings	-	10,417
At 30 June 2001	-	-

9. CALLED UP SHARE CAPITAL

	2001 £	2000 £
Authorised: 300 ordinary shares of 33 ¹ / ₃ p each	100	100
Allotted, called up and fully paid: 300 ordinary shares of 33 ¹ / ₃ p each	100	100

10. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share Capital £	Share Premium £	Profit and loss account £	Total Shareholders Funds £
At 30 June 2000	100	404,960	(296,333)	108,727
Result for the year	-	-	-	-
At 30 June 2001	100	404,960	(296,333)	108,727

11. ULTIMATE HOLDING COMPANY

In the opinion of the directors, the company's ultimate parent holding company is Codemasters Group Limited, which is incorporated in England and Wales. The ultimate controlling party is J R Darling, D Darling and R Darling, by virtue of them being the majority shareholders in Codemasters Group Limited.

The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by Codemasters Group Limited.

12. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS 8 with respect to disclosure of related party transactions with group companies.