

**Chrysalis TV and Film (Overseas) Limited**

**Directors' report and financial  
statements**

**Registered number 3203247**

**31 August 2001**



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## Directors' report

The directors present their report and the audited financial statements for the year ended 31 August 2001.

### Principal activity and future developments

The company's principal activity is the distribution and marketing of television programmes. The directors do not see a change in these activities in the foreseeable future.

### Results and dividends

The profit for the year and transfer to reserves (2000: profit for the period and transfer to reserves) are set out in the profit and loss account on page 4.

The directors do not recommend the payment of a dividend year (2000:£nil).

### Directors

The directors who held office during the year were as follows:

MJ Pilsworth  
NRA Butterfield

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

At 31 August 2001 and 31 August 2000, MJ Pilsworth and NRA Butterfield were also directors of the ultimate parent company, Chrysalis Group PLC, and their share interests are stated in the directors' report of that company.

By order of the Board

**CR Potterell**  
*Secretary*



The Chrysalis Building  
Bramley Road  
London  
W10 6SP

## **Statement of directors' responsibilities**

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## KPMG Audit Plc

PO Box 695  
8 Salisbury Square  
London  
EC4Y 8BB  
United Kingdom

### **Independent auditor's report to the members of Chrysalis TV and Film (Overseas) Limited**

We have audited the financial statements on pages 4 to 10.

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

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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.

#### **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 as at 31 August 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

**KPMG Audit Plc**  
*Chartered Accountants*  
*Registered Auditor*

*5 April 2002*

## Profit and loss account

for the year ended 31 August 2001

	Note	2001 £	2000 £
<b>Turnover</b>	1,2	<b>2,705,112</b>	2,692,451
Cost of sales		<b>(2,008,328)</b>	(2,176,882)
<b>Gross profit</b>		<b>696,784</b>	515,569
Distribution costs		<b>(86,079)</b>	(76,918)
Administrative expenses		<b>(123,225)</b>	(59,213)
<b>Operating profit</b>		<b>487,480</b>	379,438
Other interest receivable and similar income	4	<b>4,921</b>	19,644
Interest payable and similar charges	5	<b>(116,897)</b>	(172,713)
<b>Profit on ordinary activities before taxation</b>	3	<b>375,504</b>	226,369
Tax on profit on ordinary activities	8	<b>(89,771)</b>	(61,576)
<b>Profit for the financial year</b>		<b>285,733</b>	164,793
Accumulated profit brought forward		<b>846,143</b>	681,350
<b>Accumulated profit carried forward</b>		<b>1,131,876</b>	846,143

Amounts relating to turnover and operating profit in the year derive from continuing activities.

There is no difference between the historic profit and the profit reported in the profit and loss account.

The notes on pages 7 to 10 form part of these financial statements.

## Statement of total recognised gains and losses

*for the year ended 31 August 2001*

There were no recognised gains or losses other than the profit for the year.

## Reconciliation of movements in shareholders' funds

*for the year ended 31 August 2001*

	2001 £	2000 £
Shareholders' funds brought forward	846,145	681,352
Profit for the financial year	285,733	164,793
	<hr/>	<hr/>
<b>Shareholders' funds carried forward</b>	<b>1,131,878</b>	<b>846,145</b>
	<hr/>	<hr/>

## Balance sheet

at 31 August 2001

	Note	2001 £	2000 £
<b>Current assets</b>			
Debtors	9	3,125,140	2,585,614
Cash at bank and in hand		22,417	54,329
		<hr/>	<hr/>
		3,147,557	2,639,943
<b>Creditors: amounts falling due within one year</b>	10	(2,015,679)	(1,793,798)
		<hr/>	<hr/>
<b>Net current assets</b>		1,131,878	846,145
		<hr/>	<hr/>
<b>Net assets</b>		1,131,878	846,145
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	11	2	2
Profit and loss account		1,131,876	846,143
		<hr/>	<hr/>
<b>Shareholders' funds – equity</b>		1,131,878	846,145
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 05/04/2002 and were signed on its behalf by:

  
**MJ Pilsworth**  
 Director

The notes on pages 7 to 10 form part of these financial statements.



## Notes

(forming part of the financial statements)

### 1 Accounting policies

#### *Basis of preparation*

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The following policies have been consistently applied:

#### *Turnover*

Turnover represents sales to customers at invoiced amounts less value added tax.

#### *Royalties*

Royalties payable on distribution of programmes are accounted for on a paid basis.

#### *Taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Advance corporation tax recoverable by deduction from future corporation tax is carried forward within deferred taxation or as ACT recoverable within debtors as appropriate.

Chrysalis Group PLC entities are able to relieve their taxable losses by surrendering them to other group companies where capacity to utilise those losses exists. There is an agreement between members of the group that such losses will be purchased and paid for by the recipient company. Where there is reasonable certainty that taxable losses can be utilised the group relief taxation is included in the taxation charge or credit for the year.

### 2 Analysis of turnover by market

	2001 £	2000 £
United Kingdom	125,111	44,373
Rest of the world	2,580,001	2,648,078
	<hr/>	<hr/>
	2,705,112	2,692,451
	<hr/>	<hr/>

**Notes** *(continued)*

**3 Profit on ordinary activities before taxation**

	2001 £	2000 £
<i>Profit on ordinary activities before taxation is stated after charging/(crediting)</i>		
Auditors' remuneration:		
Audit	3,296	3,325
Exchange losses/(gains)	18,768	(15,197)
	<u>18,768</u>	<u>(15,197)</u>

**4 Other interest receivable and similar income**

	2001 £	2000 £
Interest receivable from group undertakings	3,281	-
Bank interest receivable	1,640	4,447
Exchange gains	-	15,197
	<u>4,921</u>	<u>19,644</u>

**5 Interest payable and similar charges**

	2001 £	2000 £
Interest payable to group undertakings	98,129	172,713
Exchange loss	18,768	-
	<u>116,897</u>	<u>172,713</u>

## Notes (continued)

### 6 Remuneration of directors

The directors received no remuneration from the company for services during the year.

MJ Pilsworth and NRA Butterfield received remuneration from Chrysalis Group PLC which is disclosed in the financial statements of that company.

### 7 Staff numbers and costs

The average number of persons employed by the company during the year (including directors) were as follows:

Number of employees	
2001	2000
2	2

No staff costs were incurred during the year.

### 8 Taxation

	2001 £	2000 £
Overseas taxation	66,941	61,576
UK Corporation tax	22,830	-
	<u>89,771</u>	<u>61,576</u>

### 9 Debtors: due within one year

	2001 £	2000 £
Trade debtors	1,213,820	765,285
Amounts owed by fellow subsidiary undertakings	1,795,732	1,501,502
Other debtors	4,886	-
Prepayments and accrued income	28,290	17,447
Advances unrecouped	40,106	233,597
VAT recoverable	42,306	67,783
	<u>3,125,140</u>	<u>2,585,614</u>

Some advances may be received after more than one year due to the nature of the transaction.

## Notes (continued)

### 10 Creditors: amounts falling due within one year

	2001 £	2000 £
Bank loan and overdraft	287,824	-
Trade creditors	976,497	730,461
Amounts owed to fellow subsidiary undertakings	80,167	755,945
Accruals and deferred income	647,877	281,251
Other creditors including taxation and social security	23,314	26,141
	<u>2,015,679</u>	<u>1,793,798</u>

### 11 Share capital

	2001 £	2000 £
<i>Equity</i>		
<i>Authorised</i>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called up and fully paid</i>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

### 12 Cash flow statement

The company is exempt from the requirement of Financial Reporting Standard No 1 (revised 1996) to prepare a cash flow statement on the grounds that its parent undertaking, Chrysalis Group PLC, includes the company in its own published consolidated financial statements.

### 13 Related party transactions

As the company is a wholly owned subsidiary of Chrysalis Group PLC, the company has taken advantage of the exemption contained in FRS8 (Related Party Transactions) and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated statements of Chrysalis Group PLC, within which the company is included, can be obtained from the address given in note 14. There were no other related party transactions.

### 14 Ultimate and immediate parent company

The ultimate parent company is Chrysalis Group PLC, which is registered in England and Wales, for which consolidated accounts are prepared. The consolidated accounts of that company may be obtained from The Secretary, Chrysalis Group PLC, The Chrysalis Building, Bramley Road, London W10 6SP.