

Chrysalis TV and Film (Overseas) Limited

Directors' report and financial statements

31 August 2000

Registered number 3203247



Directors' report and financial statements

Contents

Directors' report	1
Statement of directors' responsibilities	2
Auditor's report to the members of Chrysalis TV and Film (Overseas) Limited	3
Profit and loss account	4
Statement of total recognised gains and losses	5
Reconciliation of movements in shareholders' funds	5
Balance sheet	6
Notes	7-10

Directors' report

The directors present their report and the audited financial statements for the year ended 31 August 2000.

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 (1999: 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 for the period under review (1999: nil).

Directors

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

CN Spurgeon (Resigned on 4th January 2000)
MJ Pilsworth
NRA Butterfield

None of the directors who held office at the end of the financial period 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 period.

At 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

22 JUNE 2001
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

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. 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 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc 12 June 2001

KPMG Audit Plc
Chartered Accountants
Registered Auditor

Profit and loss account

for the year ended 31 August 2000

	<i>Note</i>	2000 £	1999 £
Turnover	<i>1,2</i>	2,692,451	4,522,540
Cost of sales		(2,176,882)	(3,733,379)
Gross profit		515,569	789,161
Distribution Costs		(76,918)	(110,691)
Administrative expenses		(59,213)	(299,042)
Operating profit		379,438	379,428
Other interest receivable and similar income	<i>4</i>	19,644	40,562
Interest payable and similar charges	<i>5</i>	(172,713)	(200,588)
Profit on ordinary activities before taxation	<i>3</i>	226,369	219,402
Tax on profit on ordinary activities	<i>8</i>	(61,576)	(78,823)
Profit for the financial year		164,793	140,579
Accumulated profit brought forward		681,350	540,771
Accumulated profit carried forward		846,143	681,350

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

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 2000

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

Reconciliation of movements in shareholders' funds

for the year ended 31 August 2000

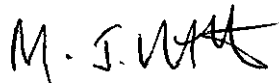
	2000 £	1999 £
Shareholders' funds brought forward	681,352	540,773
Profit for the financial year	164,793	140,579
	<hr/>	<hr/>
Shareholders' funds carried forward	846,145	681,352
	<hr/> <hr/>	<hr/> <hr/>

Balance sheet

at 31 August 2000

	Note	2000 £	1999 £
Current assets			
Debtors	9	2,585,614	2,386,740
Cash at bank and in hand		54,329	88,877
		<u>2,639,943</u>	<u>2,475,617</u>
Creditors: amounts falling due within one year	10	(1,793,798)	(1,794,265)
Net current assets		<u>846,145</u>	<u>681,352</u>
Net assets		<u>846,145</u>	<u>681,352</u>
Capital and reserves			
Called up share capital	11	2	2
Profit and loss account		846,143	681,350
Shareholders' funds – equity		<u>846,145</u>	<u>681,352</u>

These financial statements were approved by the board of directors on 22 JUNE, 2001 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 received basis.

Taxation

The charge for taxation is based on the profit for the period 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.

2 Analysis of turnover by market

	2000 £	1999 £
United Kingdom	44,373	592,100
Rest of the world	2,648,078	3,930,440
	<hr/>	<hr/>
	2,692,451	4,522,540
	<hr/>	<hr/>

Notes (continued)

3 Profit on ordinary activities before taxation

	2000 £	1999 £
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration: Audit	3,325	3,000
<i>after crediting</i>		
Exchange gains	15,197	30,715
	<u>15,197</u>	<u>30,715</u>

4 Other interest receivable and similar income

	2000 £	1999 £
Interest receivable from group undertakings	-	8,852
Bank interest receivable	4,447	995
Exchange gain	15,197	30,715
	<u>19,644</u>	<u>40,562</u>

5 Interest payable and similar charges

	2000 £	1999 £
Interest payable to group undertakings	172,713	200,495
Amounts payable on bank loans and overdraft	-	93
	<u>172,713</u>	<u>200,588</u>

Notes (continued)

6 Remuneration of directors

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

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 were as follows:

Number of employees	
2000	1999
2	3

No staff costs were incurred during the year.

8 Taxation

	2000	1999
	£	£
Overseas taxation	61,576	78,823

9 Debtors: due within one year

	2000	1999
	£	£
Trade debtors	765,285	1,419,378
Amounts owed by fellow subsidiary undertakings	1,501,502	182,802
Other debtors	-	20,804
Prepayments and accrued income	17,447	180,652
Advances unrecouped	233,597	574,856
VAT recoverable	67,783	8,248
	2,585,614	2,386,740

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

	2000 £	1999 £
Bank loan and overdraft	-	1,863
Trade creditors	730,461	1,041,823
Amounts owed to parent undertaking	755,945	528,003
Accruals and deferred income	281,251	195,141
Other creditors including taxation and social security	26,141	27,435
	<u>1,793,798</u>	<u>1,794,265</u>

11 Share capital

	2000 £	1999 £
<i>Equity</i>		
<i>Authorised</i>		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called up and fully paid</i>		
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 and has therefore no 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 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.