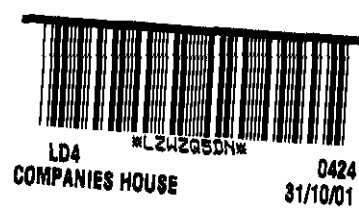


Company Registration No. 3264005 (England and Wales)

RIDGEWAY FILMS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000



RIDGEWAY FILMS LIMITED

COMPANY INFORMATION

Directors	M Heap I Fishman
Secretary	I Fishman
Company number	3264005
Registered office	58-60 Berners Street London W1T 3JS
Auditors	KPMG Audit Plc 8 Salisbury Square London EC4Y 8BB

RIDGEWAY FILMS LIMITED

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RIDGEWAY FILMS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2000

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

Principal activities

The principal activity of the company is the creation, development, ownership and exploitation of family television programmes.

Results

The results for the year are set out on page 3.

Directors

The following directors have held office since 1 January 2000:

M Heap
I Fishman

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of 50p each	
	31 December 2000	1 January 2000
I Fishman	-	-
M Heap	-	-

The directors' interests in the shares of the ultimate holding company, Entertainment Rights plc, are disclosed in that company's financial statements.

Auditors

During the year Grant Thornton resigned as the company's auditors and the directors appointed KPMG Audit Plc to fill the vacancy arising. A resolution re-appointing KPMG Audit Plc as auditors for the ensuing year will be placed before the Annual General Meeting. Special notice has been received for this resolution pursuant to Section 388 of the Companies Act 1985.

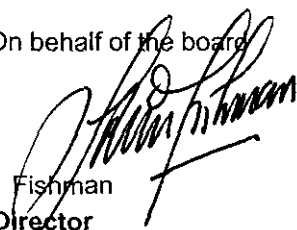
Directors' responsibilities

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;
- 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.

On behalf of the board



I Fishman
Director

30 October 2001

RIDGEWAY FILMS LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF RIDGEWAY FILMS LIMITED

We have audited the financial statements on pages 3 to 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 1, 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 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 the company's affairs as at 31 December 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

KPMG Audit Plc

30 October 2001

Chartered Accountants
Registered Auditor

RIDGEWAY FILMS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2000

	Notes	2000 £	1999 £
Turnover	3	4,881	-
Cost of sales		(709)	-
Gross profit		4,172	-
Administrative expenses		(84)	(17,862)
Operating profit/(loss)		4,088	(17,862)
Exceptional item		-	50,000
Profit on ordinary activities before taxation		4,088	32,138
Tax on profit on ordinary activities	4	-	-
Profit on ordinary activities after taxation	9	4,088	32,138

The profit and loss account has been prepared on the basis that all operations are continuing operations.

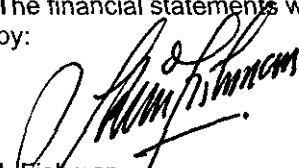
There are no recognised gains and losses other than those passing through the profit and loss account.

RIDGEWAY FILMS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2000

	Notes	2000 £	£	1999 £	£
Fixed assets					
Tangible assets	5		298,269		298,269
Current assets					
Debtors	6	4,088		-	
		<u>4,088</u>		<u>-</u>	
Creditors: amounts falling due within one year	7	<u>(33,398)</u>		<u>(33,398)</u>	
Net current liabilities			<u>(29,310)</u>		<u>(33,398)</u>
Net assets			<u>268,959</u>		<u>264,871</u>
Capital and reserves					
Called up share capital	8		167,500		167,500
Share premium account	9		167,500		167,500
Profit and loss account	9		<u>(66,041)</u>		<u>(70,129)</u>
Shareholders' funds - equity interests	10		<u>268,959</u>		<u>264,871</u>

The financial statements were approved by the board of directors on 30 October 2001 and signed on its behalf by:


I. Fishman
Director

RIDGEWAY FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The principal accounting policies of the company have remained unchanged from the previous period and are set out below.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.4 Related parties

Under Financial Reporting Standard 8 - Related Party Disclosures, the company is exempt from the requirement to disclose transactions with other entities within the group headed by Entertainment Rights plc.

1.5 Joint arrangement

The company was incorporated for the purposes of trading through a joint arrangement "The Tidings Film and Television Partnership" for the production of The Tidings Films. The company has a 25% share in partnership profits and losses and accounts for its own share of its assets, liabilities and cashflows in the joint arrangement.

1.6 Investment in programmes

Investments in programmes that are in development and for which the realisation of expenditure can be reasonably determined are classified as programme development costs under current assets. Completed investments in programmes are classified as tangible fixed assets.

Investments in programmes in development are stated at the lower of cost directly incurred on the project less provisions and net realisable value.

1.7 Cash flow statements

As the ultimate holding company publishes a consolidated cash flow statements in which the company's cash flows are consolidated, and all of the company's share capital is held within the group, the company is exempt from the requirement to prepare a separate cash flow statement.

2 Going concern

The directors have considered the funding requirements for the next twelve months and have concluded that it is appropriate to prepare the financial statements on a going concern basis.

The going concern basis has been adopted as the ultimate parent company has indicated that it will continue to provide such financial support as is required for the company's continued operations.

3 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

RIDGEWAY FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2000

4 Taxation

No liability to UK Corporation Tax resulted for the year ended 31 December 2000 nor for the year ended 31 December 1999 due to the availability of tax losses within the group.

5 Tangible fixed assets

	Investment in programmes £
Cost	
At 1 January 2000 & at 31 December 2000	313,966
Depreciation	
At 1 January 2000 & at 31 December 2000	15,697
Net book value	
At 31 December 2000	298,269
At 31 December 1999	298,269

6 Debtors	2000 £	1999 £
Amounts owed by group undertakings	4,088	-

7 Creditors: amounts falling due within one year	2000 £	1999 £
Bank loans and overdrafts	-	6,681
Accruals and deferred income	33,398	26,717
	33,398	33,398

8 Share capital	2000 £	1999 £
Authorised		
335,000 Ordinary shares of 50p each	167,500	167,500
Allotted, called up and fully paid		
335,000 Ordinary shares of 50p each	167,500	167,500

RIDGEWAY FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2000

9 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 January 2000	167,500	(70,129)
Retained profit for the year	-	4,088
	<u>167,500</u>	<u>(66,041)</u>
Balance at 31 December 2000	167,500	(66,041)

10 Reconciliation of movements in shareholders' funds

	2000 £	1999 £
Profit for the financial year	4,088	32,138
Opening shareholders' funds	264,871	232,733
	<u>268,959</u>	<u>264,871</u>
Closing shareholders' funds	268,959	264,871

11 Contingent liabilities

There were no contingent liabilities at 31 December 2000 or 31 December 1999.

12 Employees

Number of employees

There were no employees during the year apart from the directors.

13 Control

The ultimate parent undertaking and controlling related party is Entertainment Rights plc, a company incorporated in England and Wales. As a 100% owned subsidiary of Entertainment Rights plc, the company is exempt from disclosing transactions with that company and other members of the group headed by that company under the requirements of FRS 8.

The largest and smallest group of undertakings for which group accounts have been drawn is that headed by Entertainment Rights plc. Group accounts are available from the Registered Office at 58/60 Berners Street, London W1T 3JS.