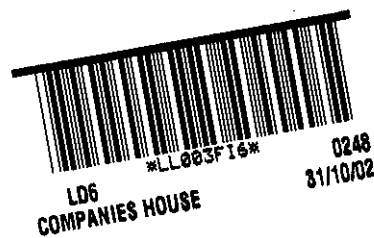


Company Registration No. 3264005 (England and Wales)

**RIDGEWAY FILMS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2001**



# RIDGEWAY FILMS LIMITED

## COMPANY INFORMATION

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Directors	I Fishman M V Heap
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

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# RIDGEWAY FILMS LIMITED

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# RIDGEWAY FILMS LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2001

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

### Principal activities and review of the business

The principal activity of the company is film production.

### Results and dividends

The results for the year are set out on page 4.

The directors are unable to recommend payment of a dividend (2000: £ nil).

### Directors

The following directors have held office since 1 January 2001:

I Fishman  
M V Heap

### Directors' interests

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

	Ordinary shares of 50p each	
	31 December 2001	1 January 2001
I Fishman	-	-
M V Heap	-	-

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

### Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution to re-appoint KPMG Audit Plc as auditors is to be proposed at the forthcoming Annual General Meeting.

# RIDGEWAY FILMS LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2001

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### 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 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



M. V. Heap

**Director**

30 October 2002

# RIDGEWAY FILMS LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RIDGEWAY FILMS LIMITED

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We have audited the financial statements on pages 4 to 9.

### 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 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 the company's affairs as at 31 December 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

KPMG Audit Plc

*31 October 2002*

Chartered Accountants  
Registered Auditor  
London

# RIDGEWAY FILMS LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2001

	Notes	2001 £	2000 £
Turnover	1,3	-	4,881
Cost of sales		(15,000)	(709)
<b>Gross (loss)/profit</b>		(15,000)	4,172
Administrative expenses		(8,281)	(84)
<b>(Loss)/profit on ordinary activities before taxation</b>	4	(23,281)	4,088
Tax on (loss)/profit on ordinary activities	5	-	-
<b>(Loss)/profit on ordinary activities after taxation</b>	10	(23,281)	4,088

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

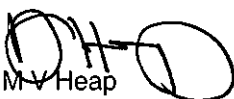
There are no recognised gains and losses other than those passing through the profit and loss account.

# RIDGEWAY FILMS LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2001

		2001		2000 Restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	6		283,269		298,269
<b>Assets</b>					
Debtors falling due after more than one year	7	-		4,088	
<b>Creditors: amounts falling due after more than one year</b>	8	(37,591)		(33,398)	
			(37,591)		(29,310)
<b>Net assets</b>			245,678		268,959
<b>Capital and reserves</b>					
Called up share capital	9		167,500		167,500
Share premium account	10		167,500		167,500
Profit and loss account	10		(89,322)		(66,041)
<b>Shareholders' funds - equity interests</b>	11		245,678		268,959

The financial statements were approved by the Board of Directors on 30 October 2002 and signed on its behalf by:

  
M V Heap

Director



# RIDGEWAY FILMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

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### 1 Accounting policies

#### 1.1 Basis of accounting

These financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. A summary of significant accounting policies applied is set out below, together with an explanation of where changes to previous policies have been made in the year.

#### 1.2 Turnover

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

#### 1.3 Intangible fixed assets

##### Trademarks and copyrights:

Publishing rights, titles, trademarks and other intangible assets are stated at fair value on acquisition. Any development costs, which are incurred by the company and are associated with an acquired right, title or trademark are capitalised and amortised over their estimated useful lives, but no longer than 20 years. The estimated useful lives for determining the amortisation charge is reviewed annually and any further provision for permanent impairment is charged against profit in the year concerned. In respect of internally generated publishing rights, titles and trademarks, only the external costs of securing the rights are capitalised. All other internal costs are written off to the profit and loss account when incurred.

#### 1.4 Deferred taxation

Provision for deferred taxation is made in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that a liability or asset will crystallise in the foreseeable future.

#### 1.5 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.

#### 1.6 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.

#### 1.7 Change in accounting policies

The company has adopted FRS 18 Accounting Policies, during the year. In accordance with the principles therein, the directors have reviewed their accounting policies and implemented those most appropriate to the company's operations.

The company's trademarks and copyrights has been reclassified from tangible to intangible fixed assets, with comparative figures being restated. This change has had no effect on prior period reserves or shareholders' funds.

Cost of sales now includes amortisation of trademarks and copyrights, and comparative figures have also been adjusted to reflect this. Previously these were shown in administration expenses.

#### 1.8 Cash flow statement

As the ultimate holding company publishes a consolidated cash flow statement 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.

# RIDGEWAY FILMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

### 2 Going concern

The directors have considered the funding requirements for the twelve month period from the date of approval of these financial statements 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.

4 (Loss)/profit on ordinary activities before taxation	2001	2000
	£	£
(Loss)/profit on ordinary activities before taxation is stated after charging:		
Amortisation of intangible assets	15,000	-

Directors' and auditors' remuneration is paid by the parent company.

### 5 Taxation

No liability to UK corporation Tax resulted for the year ended 31 December 2001 nor for the year ended 31 December 2000 due to the availability of tax losses within the group.

### 6 Intangible fixed assets (as restated)

	Trademarks & copyrights £
<b>Cost</b>	
At 1 January 2001 & at 31 December 2001	313,966
<b>Amortisation</b>	
At 1 January 2001	15,697
Charge for the year	15,000
At 31 December 2001	30,697
<b>Net book value</b>	
At 31 December 2001	283,269
At 31 December 2000	298,269

Following the adoption of FRS 18 Accounting Policies, a review of the company's treatment of trademarks and copyrights was undertaken, resulting in the reclassification of trademarks and copyrights from tangible fixed assets to intangible fixed assets.

# RIDGEWAY FILMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2001

<b>7 Debtors: amounts falling due after more than one year</b>	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	-	4,088
	<u>          </u>	<u>          </u>
<b>8 Creditors: amounts falling due after more than one year</b>	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Amounts due to group undertakings	4,193	-
Accruals and deferred income	33,398	33,398
	<u>          </u>	<u>          </u>
	37,591	33,398
	<u>          </u>	<u>          </u>
<b>9 Share capital</b>	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
335,000 Ordinary shares of 50p each	167,500	167,500
	<u>          </u>	<u>          </u>
<b>Allotted, called up and fully paid</b>		
335,000 Ordinary shares of 50p each	167,500	167,500
	<u>          </u>	<u>          </u>
<b>10 Statement of movements on reserves</b>	<b>Share premium account</b>	<b>Profit and loss account</b>
	<b>£</b>	<b>£</b>
Balance at 1 January 2001	167,500	(66,041)
Retained loss for the year	-	(23,281)
	<u>          </u>	<u>          </u>
Balance at 31 December 2001	167,500	(89,322)
	<u>          </u>	<u>          </u>
<b>11 Reconciliation of movements in shareholders' funds</b>	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
(Loss)/profit for the financial year	(23,281)	4,088
Opening shareholders' funds	268,959	264,871
	<u>          </u>	<u>          </u>
Closing shareholders' funds	245,678	268,959
	<u>          </u>	<u>          </u>

# RIDGEWAY FILMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2001

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### 12 Contingent liabilities

*There were no contingent liabilities at 31 December 2001 or 31 December 2000.*

### 13 Employees

#### **Number of employees**

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

### 14 Control

The immediate parent undertaking is The Richard Digance Card Company Limited, a company incorporated in England and Wales.

The ultimate parent undertaking and controlling related party is Entertainment Rights plc, a company incorporated in England and Wales.

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.