

DMA DESIGN LIMITED

Directors' Report and Financial Statements

for the year ended 31 October 2000

Registration Number 3312220



DMA DESIGN LIMITED

Company Information

Directors	B Rutcofsky (appointed 1/12/00) K Sumner D S Jones (resigned 27/11/00) G Tucker (resigned 1/12/00) G Lewis (appointed 30/1/01;resigned 1/2/01)
Secretary	G Tucker (resigned 1/12/00)
Company Number	3312220
Registered Office	Saxon House 2-4 Victoria Street Windsor Berkshire SL4 1EN
Auditors	T. Hunter Thomson & Company Chartered Accountants 11 Register Street Bo'ness EH51 9AE
Business Address	Suites 2/1 & 2/2 Links House 15 Links Place Edinburgh
Bankers	Llyods TSB Scotland plc Meadowside Dundee
Solicitors	Shepherd & Wedderburn WS Saltire Court 20 Castle Terrace Edinburgh EH1 2ET

DMA DESIGN LIMITED

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DMA DESIGN LIMITED

Directors' Report for the year ended 31 October 2000

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

Principal Activity and Review of the Business

The principal activity of the company during the year was the conception and development of entertainment software.

Results And Dividends

The results for the year are set out on page 4 - 5.

The directors do not recommend payment of a dividend.

Research and Development

The company is committed to product development with the aim of increasing the group's market share.

Directors and their Interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	2000	1999
K Sumner	-	-
D S Jones (resigned 27/11/00)	-	-
G Tucker (resigned 1/12/00)	-	-

The interests of the directors in the shares of the parent company are shown in the accounts of that company. The company's Articles of Association do not require directors to retire by rotation.

Directors' Responsibilities

UK company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and 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.

DMA DESIGN LIMITED

**Directors' Report
for the year ended 31 October 2000**

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that T. Hunter Thomson & Company be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 27 Mar 2002 and signed on its behalf by



**K Sumner
Director**

27/3/2002

Auditors' Report to the Shareholders of DMA DESIGN LIMITED

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

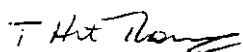
Basis of opinion

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



T. Hunter Thomson & Company

**Chartered Accountants and
Registered Auditor
11 Register Street
Bo'ness
EH51 9AE**

Date: 30 March 2002

DMA DESIGN LIMITED

Profit and Loss Account for the year ended 31 October 2000

		2000	4 months ended 31 Oct 1999
	Notes	£	£
Turnover	2	2,117,908	2,359,483
Cost of sales		(1,256,625)	(1,758,338)
Gross profit		<u>861,283</u>	<u>601,145</u>
Administrative expenses		(971,409)	(205,525)
Operating (loss)/profit	3	<u>(110,126)</u>	<u>395,620</u>
Non-operating income - fundamental reorganisation		-	5,946,171
(Loss)/profit on ordinary activities before interest		<u>(110,126)</u>	<u>6,341,791</u>
Interest payable and similar charges	4	<u>(233)</u>	<u>(54)</u>
(Loss)/profit on ordinary activities before taxation		<u>(110,359)</u>	<u>6,341,737</u>
Tax on (loss)/profit on ordinary activities	7	-	-
(Loss)/profit retained for the year		<u>(110,359)</u>	<u>6,341,737</u>
Accumulated (loss) brought forward		(2,373,170)	(8,714,907)
Accumulated (loss) carried forward		<u>(2,483,529)</u>	<u>(2,373,170)</u>

There were no acquisitions and no discontinued operations in the period.

The notes on pages 7 to 12 form an integral part of these financial statements.

DMA DESIGN LIMITED
Profit and Loss Account (continued)

Statement of total recognised gains and losses

(Loss)/profit on ordinary activities after taxation	(110,359)	6,341,737
	<u> </u>	<u> </u>
Total recognised losses/gains relating to the year	(110,359)	6,341,737
Prior year adjustment	-	2,419,792
	<u> </u>	<u> </u>
Total recognised losses/gains since last annual report	(110,359)	3,921,945
	<u> </u>	<u> </u>

The notes on pages 7 to 12 form an integral part of these financial statements.

DMA DESIGN LIMITED

**Balance Sheet
as at 31 October 2000**

		2000		1999	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	8		531,221		205,365
Current Assets					
Stocks		-		161,401	
Debtors	9	129,316		1,800,971	
Cash at bank and in hand		114,916		6	
		<u>244,232</u>		<u>1,962,378</u>	
Creditors: amounts falling due within one year	10	<u>(114,236)</u>		<u>(222,928)</u>	
Net Current Assets			<u>129,996</u>		<u>1,739,450</u>
Total Assets Less Current Liabilities			<u>661,217</u>		<u>1,944,815</u>
Creditors: amounts falling due after more than one year	11		(3,144,745)		(4,317,984)
Net Liabilities			<u>(2,483,528)</u>		<u>(2,373,169)</u>
Capital and Reserves					
Called up share capital	12		1		1
Profit and loss account			(2,483,529)		(2,373,170)
Equity Shareholders' Funds	13		<u>(2,483,528)</u>		<u>(2,373,169)</u>

The financial statements were approved by the Board on 27.3.2002 and signed on its behalf by


K Sumner
Director

27.3.2002

The notes on pages 7 to 12 form an integral part of these financial statements.

DMA DESIGN LIMITED

Notes to the Financial Statements for the year ended 31 October 2000

1. Accounting Policies

1.1. Accounting convention

The financial statements are prepared under the historical cost and in accordance with applicable UK accounting standards. There were no material departures from those standards. The company has consistently applied all relevant accounting standards.

1.2. Research and development

Research expenditure intended for commercial exploitation is written off to the profit and loss account in the year in which it is incurred.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Leasehold property	
improvement	- Straight line over the life of the lease
Computer equipment	- 33 1/3% Straight line basis
Fixtures, fittings	
and equipment	- 25% Straight line basis
Motor vehicles	- 25% Straight line basis

1.4. Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

1.6. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

DMA DESIGN LIMITED

Notes to the Financial Statements for the year ended 31 October 2000

1.7. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

1.8 Cash flow statement

The results of the company and its parent undertaking are included in the published financial statements of its ultimate parent company. The company has therefore taken advantage of the exemption available in FRS 1 from publishing a cash flow statement.

2. Turnover

	2000	4 months 1999
	£	£
Geographical market		
UK	-	1,406,141
Rest of the World	2,117,908	953,342
	<u>2,117,908</u>	<u>2,359,483</u>

The company's turnover represents the value of goods and services supplied in the conception and development of entertainment software.

Turnover attributable to geographical markets outside the United Kingdom amounted to 100% for the year.

3. Operating (loss)/profit

	2000	4 months 1999
	£	£
Operating (loss)/profit is stated after charging:		
Depreciation and other amounts written off tangible assets	183,055	3,481
Operating lease rentals		
- Other	3,005	-
- Land and buildings	184,097	9,918
Auditors' remuneration	<u>1,600</u>	<u>12,000</u>
and after crediting:		
Profit on disposal of tangible fixed assets	<u>3,589</u>	<u>-</u>

4. Interest payable and similar charges

	2000	4 months 1999
	£	£
On bank loans and overdrafts	<u>233</u>	<u>54</u>

DMA DESIGN LIMITED

Notes to the Financial Statements for the year ended 31 October 2000

..... continued

5. Employees

Number of employees

The average monthly numbers of employees
(including the directors) during the year were:

	2000	4 Months
	Number	1999
		Number
Production	61	83
Administration	<u>2</u>	<u>2</u>
	<u>63</u>	<u>85</u>

Employment costs

	2000	4 Months
	£	1999
		£
Wages and salaries	1,576,651	749,805
Social security costs	153,168	78,318
Other pension costs	12,376	1,200
	<u>1,742,195</u>	<u>829,323</u>

5.1. Directors' emoluments

	2000	4 Months
	£	1999
		£
Remuneration and other emoluments	-	33,300
	<u>-</u>	<u>33,300</u>
	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	-	1
Higest Paid Director	£	£
Emoluments and other benefits	-	33,300
Pension contributions	-	1,200
	<u>-</u>	<u>34,500</u>
	<u>-</u>	<u>34,500</u>

DMA DESIGN LIMITED

Notes to the Financial Statements for the year ended 31 October 2000

..... continued

6. Pension costs

The company operates a defined contribution pension scheme in respect of certain of its employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £12,376.

7. Taxation

There is no current year tax charge due to the current year losses.

8. Tangible fixed assets

	Leasehold property improvement	Computer equipment	Fixtures, fittings, equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 November 1999	-	578,086	28,463	42,718	649,267
Additions	7,243	475,782	25,887	-	508,912
At 31 October 2000	<u>7,243</u>	<u>1,053,868</u>	<u>54,350</u>	<u>42,718</u>	<u>1,158,179</u>
Depreciation					
At 1 November 1999	-	399,353	24,551	19,999	443,903
Charge for the year	-	173,735	4,699	4,621	183,055
At 31 October 2000	<u>-</u>	<u>573,088</u>	<u>29,250</u>	<u>24,620</u>	<u>626,958</u>
Net book values					
At 31 October 2000	<u>7,243</u>	<u>480,780</u>	<u>25,100</u>	<u>18,098</u>	<u>531,221</u>
At 31 October 1999	<u>-</u>	<u>178,733</u>	<u>3,912</u>	<u>22,719</u>	<u>205,364</u>

9. Debtors

	2000 £	1999 £
Amounts owed by group undertakings	3,976	1,800,971
Other debtors	125,340	-
	<u>129,316</u>	<u>1,800,971</u>

DMA DESIGN LIMITED

Notes to the Financial Statements for the year ended 31 October 2000

..... continued

10. Creditors: amounts falling due within one year	2000	1999
	£	£
Trade creditors	34,187	31,574
Other taxes and social security costs	41,320	161,612
Accruals and deferred income	38,729	29,742
	<u>114,236</u>	<u>222,928</u>
11. Creditors: amounts falling due after more than one year	2000	1999
	£	£
Amounts owed to group undertakings	<u>3,144,745</u>	<u>4,317,984</u>
12. Share capital	2000	1999
	£	£
Authorised equity		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid equity		
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>
13. Reconciliation of movements in shareholders' funds	2000	1999
	£	£
(Loss)/profit for the year	(110,359)	6,341,737
Opening shareholders' funds	<u>(2,373,169)</u>	<u>(8,714,906)</u>
Closing shareholders' funds	<u>(2,483,528)</u>	<u>(2,373,169)</u>

DMA DESIGN LIMITED

Notes to the Financial Statements for the year ended 31 October 2000

..... continued

14. Financial commitments

At 31 October 2000 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2000	1999	2000	1999
	£	£	£	£
Expiry date:				
Within one year	-	10,417	282	-
Between one and five years	70,672	55,469	4,716	-
In over five years	125,828	53,642	-	-
	<u>196,500</u>	<u>119,528</u>	<u>4,998</u>	<u>-</u>

15. Related party transactions

No disclosure has been made within these financial statements of any transactions with the ultimate parent company or fellow subsidiaries in accordance with the exemptions allowed by FRS8.

16. Ultimate parent undertaking

The ultimate parent company and controlling party of the company is Take Two Interactive Software, Inc., a company registered in United States of America. Copies of the group financial statements of Take Two Interactive Software, Inc. are available from 575 Broadway, 3rd Floor, New York, NY 10012, United States of America.

17. Going concern

The company's ultimate parent, Take Two Interactive Software, Inc., has confirmed that it will continue to provide such financial support as the company may need from time to time, for the foreseeable future to enable it to continue to trade and meet its liabilities as they fall due.