LIMELIGHT ENTERTAINMENTS LIMITED

FINANCIAL STATEMENTS

For The Year Ended 30th June 2001

TUSON AND PARTNERS LTD
ALTO HOUSE
29-30 NEWBURY STREET
LONDON
EC1A 7HU



A24
COMPANIES HOUSE
0378
14/11/01

LIMELIGHT ENTERTAINMENTS LTD

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For The Year Ended 30th June 2001

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LIMELIGHT ENTERTAINMENTS LIMITED

COMPANY INFORMATION

FOR THE YEAR ENDED 30 JUNE 2001

DIRECTORS:	Mr R. Lewis Mr. J.M. Trotter Ms. J. Dempsey
SECRETARY:	Mr. J.M. Trotter
REGISTERED OFFICE:	Cheapside House 138 Cheapside London EC2V 6BB
REGISTRATION NUMBER:	02718821 Registered in England
ACCOUNTANTS:	Coult & Co Alto House 29/30 Newbury Street London EC1A 7HU

LIMELIGHT ENTERTAINMENTS LIMITED

DIRECTOR'S REPORT

For The Year Ended 30th June 2001

The directors present their report with the financial statements of the company for the year ended 30 June 2001.

Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which gives 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; and

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 maintaining 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 Section 221 of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for making reasonable steps for the prevention and detection of fraud and other irregularities.

Activities & Future Developments

The activity of the company continues to be suppliers of merchandise and other goods to the entertainment business. The company's activities are continuing to increase and the directors are confident that this improvement will continue.

The directors consider the financial state of the company to be in accordance with their expectations.

Results

The results for the year and the state of the company's affairs at 30th June 2001 are shown in the attached financial statements. The directors do not recommend the payment of any Dividend.

LIMELIGHT ENTERTAINMENTS LTD

REPORT OF THE DIRECTORS (continued)

For The Year Ended 30th June 2001

Directors & Their Interest
The directors in office in the year and their beneficial interests in the share capital of the company were as follows:

	2000	2001
	Ordinary Shares of £1 Each	
R. Lewis	30	30
J. Trotter	5	13
J. Dempsey	0	0

Auditors
The auditors, Langmeads, will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985.

Approved by the Board on:
And signed on its behalf by:



.....
R. LEWIS
Director

AUDITORS' REPORT TO THE SHAREHOLDER OF

AUDITORS' REPORT TO THE SHAREHOLDER OF

LIMELIGHT ENTERTAINMENT LTD

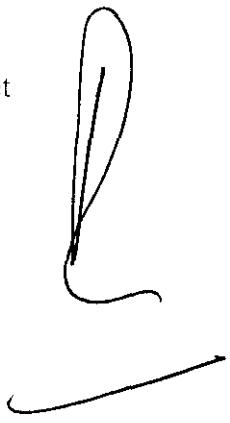
We have audited the financial statements on page to which have been prepared following the accounting policies set out on page .

Respective Responsibilities of Directors and Auditors
As described on page , 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 30th June 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Accountants *Coult & Co*
Alto House
29-30 Newbury Street
London
EC1 7HZ



LIMELIGHT ENTERTAINMENT LTD

PROFIT & LOSS ACCOUNT

For The Year Ended 30th June 2001

	Notes	2000 £	2001 £
Turnover	(1)	655,969	959,792
LESS Cost of Sales		459,500	714,219
Gross Profit /(Loss)		196,469	245,573
Net Operating Expenses		147,520	236,392
Net Profit Before Interest & Tax		48,949	9,181
Interest Receivable		1,463	-
Interest Payable		(3,804)	(5,304)
Profit/(Loss) on Ordinary Activities Before Taxation	(7)	46,608	3,877
Taxation	(8)	(9,550)	614
Profit/(Loss) on Ordinary Activites After Taxation		37,058	3,263
Retained Profit/(Loss) Brought Forward		54,102	91,160
Retained (Losses)/Profit Carried Forward		91,160	94,423

The company made no recognised gain or losses in 2000 or 2001 other than the profit for the year as shown above.

None of the company's activities were acquired or discontinued during the above two financial years.

The accompanying notes form part of these financial statements

LIMELIGHT ENTERTAINMENT LTD

BALANCE SHEET

AS AT 30TH JUNE 2001

	Note	£	2000 £	2001 £	£
Fixed Assets					
Intangible Assets	(10)		52,667		52,667
Tangible Assets	(9)		13,514		17,984
Investments	(11)		2		2
			66,183		70,653
Current Assets					
Cash at Bank and In Hand		86,105		-	
Debtors	(4)	30,825		97,552	
Stock	(3)	14,621		30,000	
		131,551		127,552	
Current Liabilities					
Cash In Hand				(4,540)	
Creditors Falling Due Within One Year	(5)	(43,012)		(52,191)	
Net Current Assets (Liabilities)			88,539		70,821
			154,722		141,474
LESS Creditors Due					
Creditors: Amounts Falling Due After More Than One Year	(6)		(63,462)		(46,951)
Net Assets (Liabilities)			91,260		94,523
Represented By:					
CAPITAL & RESERVES					
Called Up Share Capital			100		100
Profit & Loss Account			91,160		94,423
			91,260		94,523

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for smaller entities.

On behalf of the Board .....
Director – R. Lewis

Approved by the Board on 2001

LIMELIGHT ENTERTAINMENT LTD

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30th June 2001

1) ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities. The principal accounting policies are set out below and remain unchanged from the previous year.

a) Turnover
Turnover is the total amount receivable by the company, excluding value added tax, in the ordinary course of business for goods supplied and services provided.

b) Stocks
Stocks are included in the financial statements at the lower of cost and net realisable value.

c) Deferred Taxation
Provision is made for deferred taxation at current rates in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

d) Tangible Fixed Assets
Depreciation is provided at the following annual rates in order to write off each asset over its useful life:

Fixtures and fittings	- 20% Reducing Balance
Motor Vehicles	- 25% Straight Line
Office Equipment	- 20% Reducing Balance

2) SHARE CAPITAL

	Authorised		Allotted Called Up and Fully Paid	
	2000	2001	2000	2001
	nom	nom	£	£
Ordinary Share of £1 each	100	100	100	100

3) STOCKS

	2000	2001
	£	£
Goods or Resale	14,621	30,000

		2000 £	2001 £
4)	**DEBTORS**		
	Trade	25,861	91,831
	VAT	214	266
	Amount owed from subsidiary	4,750	5,455
		30,825	97,552
5)	**CREDITORS: Amounts Falling Due Within One Year**		
	Corporation Tax	9,500	614
	Trade Creditors	24,630	51,577
	Other Creditors	4,590	-
	Social Security and Other Taxes	3,492	-
	Accruals and Deferred Income	800	-
		43,012	52,191
6)	**CREDITORS: Amounts Falling Due After More Than One Year**		
	Directors Loans	52,951	-
	The Directors loans are repayable Otherwise than by instalments in more Than 5 years		46,951
	Directors loan repayable by instalments	10,511	-
	The loan made by a director is repayable In instalments over 4 years		
		63,462	46,951

A mortgage debenture dated 15/9/97 incorporating a fixed and floating charge over all current and future assets of the company.

7) **PROFIT BEFORE TAXATION**

Profit on ordinary activities before taxation is arrived at after taking into account the following charges:-

Auditors' remuneration	800	-
Directors' remuneration	47,083	-
Rent of leased premises	9,673	-
	57,556	-

8) TAXATION

Tax charge on the profit on ordinary activities for the year was as follows:

UK Corporation Tax	-	-
Overprovision Prior Year	-	-
UK Corporation Tax	(2000) 9,500	(2001) 614

9) TANGIBLE/INTANGIBLE FIXED ASSETS

	Office Equipment £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost 01.07.2000	9,532	5,431	10,500	25,463
Additions	3,823	1,391	10,000	15,214
At 30.06.2001	13,356	6,822	20,500	40,677
Depreciation				
At 01.07.2000	3,402	3,297	5,250	11,949
Sale Processing	-	-	4,720	4,720
Charge for year & losses on Sale vehicle	2,670	1,364	1,990	6,024
At 30.06.2001	6,072	4,661	11,960	22,693
Net Book Value 01.07.2000	6,130	2,134	5,250	13,514
Net Book Value 30.06.2001	7,282	2,161	8,540	17,984

The intangible assets consist of goodwill.

10) GOODWILL

The goodwill purchased on acquisition of the busines is not amortised as in the opinion of the directors the goodwill has an indefinite useful economic life. This is a departure from the specific requirement of companies legislation to amortise goodwill over a finite period.

11) INVESTMENT IN SUBSIDIARY UNDERTAKINGS

	2000	1999
At cost	£2	£2

The above investment is unlisted. Additional information on the subsidiaries:

Name	Country of Incorporation Registration & Operation	Class of Shares Shares Held	Percentage of Share Held	Nature of Business
Ware on Earth Ltd	UK	£1 ordinary	100%	Organisation Of Parties

Since the company, together with its subsidiary is classed as a small group, it is exempt from preparing group accounts.