REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2002

FOR

ERRIGAL PRODUCTIONS LIMITED

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ERRIGAL PRODUCTIONS LIMITED

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FOR THE YEAR ENDED 30 SEPTEMBER 2002

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ERRIGAL PRODUCTIONS LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2002

DIRECTORS:	M C Newell B M Stegers H I Gordon
SECRETARY:	H I Gordon
REGISTERED OFFICE:	Brettenham House Lancaster Place LONDON WC2E 7EW
REGISTERED NUMBER:	2953421
ACCOUNTANTS:	MGI Midgley Snelling Chartered Accountants Brettenham House Lancaster Place London WC2E 7EW

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2002

The directors present their report with the financial statements of the company for the year ended 30 September 2002.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of the provision of services in the film and television industry.

DIRECTORS
The directors during the year under review were:

M C Newell
B M Stegers
H I Gordon

The beneficial interests of the directors holding office on 30 September 2002 in the issued share capital of the company were as follows:

	30.9.02	1.10.01
Ordinary £1 shares		
M C Newell	60	60
B M Stegers	20	20
H I Gordon	-	-

DONATIONS
During the year a charitable donation of £10,000 was made to the Francis Holland Schools Trust.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:

H I Gordon

H I Gordon - SECRETARY

Dated: 19/3/03

ERRIGAL PRODUCTIONS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2002

	Notes	2002 £	2001 £
TURNOVER		**405,654**	372,510
Cost of sales		**39,113**	33,327
GROSS PROFIT		**366,541**	339,183
Administrative expenses		**297,692**	762,870
OPERATING PROFIT/(LOSS)	3	**68,849**	(423,687)
Interest receivable and similar income		**26,109**	42,926
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		**94,958**	(380,761)
Tax on profit/(loss) on ordinary activities	4	**-**	1,246
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		**94,958**	(382,007)
RETAINED PROFIT/(DEFICIT) FOR THE YEAR		**£94,958**	£(382,007)

The notes form part of these financial statements

ERRIGAL PRODUCTIONS LIMITED

BALANCE SHEET
30 SEPTEMBER 2002

	Notes	2002 £	£	2001 £	£
FIXED ASSETS					
Tangible assets	5		**1**		1
CURRENT ASSETS					
Debtors	6	**696**		126,938	
Cash at bank		**797,204**		888,338	
		797,900		1,015,276	
CREDITORS					
Amounts falling due within one year	7	**700,664**		1,012,998	
NET CURRENT ASSETS			**97,236**		2,278
TOTAL ASSETS LESS CURRENT LIABILITIES			**£97,237**		£2,279
CAPITAL AND RESERVES					
Called up share capital	8		**100**		100
Profit and loss account	9		**97,137**		2,179
SHAREHOLDERS' FUNDS			**£97,237**		£2,279

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 30 September 2002.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 September 2002 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

(a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

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 (effective June 2002).

ON BEHALF OF THE BOARD:

M C Newell - DIRECTOR

Approved by the Board on 19/3/03

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements have been prepared in accordance with suitable accounting standards.

Accounting convention
The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover
Turnover represents fees received during the period net of value added tax.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Motor vehicles - 25% on cost

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pensions
The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. STAFF COSTS

	2002	2001
	£	£
Wages and salaries	**111,967**	568,204
Social security costs	**12,230**	67,919
Other pension costs	**42,480**	42,480
	166,677	678,603

The average monthly number of employees during the year was as follows:

	2002	2001
Management	**2**	2

3. OPERATING PROFIT/(LOSS)

The operating profit (2001 - operating loss) is stated after charging:

	2002 £	2001 £
Foreign exchange differences	**35,313**	2,029
Directors' emoluments	**117,710**	575,564
Directors' pension contributions to money purchase schemes	**42,480**	42,480

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	**2**	2

4. TAXATION

Analysis of the tax charge
The tax charge on the profit on ordinary activities for the year was as follows:

	2002 £	2001 £
Current tax:		
UK corporation tax	-	-
Under/Over provision of CT	-	1,246
Tax on profit/(loss) on ordinary activities	-	1,246

5. TANGIBLE FIXED ASSETS

	Motor vehicles £
COST:	
At 1 October 2001 and 30 September 2002	**23,000**
DEPRECIATION:	
At 1 October 2001 and 30 September 2002	**22,999**
NET BOOK VALUE:	
At 30 September 2002	1
At 30 September 2001	1

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Other debtors	**696**	126,938

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002	2001
	£	£
Social security and other taxes	4,704	246,797
Value added tax	2,018	-
Other creditors	6,000	-
Directors' current accounts	682,942	761,843
Accruals and deferred income	5,000	4,358
	700,664	1,012,998

8. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	2002 £	2001 £
100,000	Ordinary	£1	100,000	100,000

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2002 £	2001 £
100	Ordinary	£1	100	100

9. RESERVES

	Profit and loss account £
At 1 October 2001	2,179
Retained profit for the year	94,958
At 30 September 2002	97,137

10. TRANSACTIONS WITH DIRECTORS

During the year £23,175 (2001: £25,310) was paid to MGI Midgely Snelling, for accounting and taxation services rendered in the ordinary course of business. H.I. Gordon, a director of Errigal Productions Limited, is an associate partner of MGI Midgley Snelling.

11. CONTROL

The company is controlled by M.C. Newell, a director, who owns 60% of the issued share capital.