

FUNNYFRIEND LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2000



AUDITORS' REPORT TO FUNNYFRIEND LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements set out on pages 2 to 4 together with the financial statements of the company for the year ended 30th June 2000 prepared under section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated financial statements in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages 2 to 4 are properly prepared in accordance with those provisions.

MGI Midgley Snelling
MGI Midgley Snelling
Chartered Accountants
and Registered Auditors

Brettenham House
Lancaster Place
London
WC2E 7EW

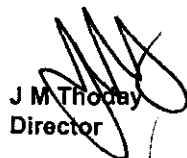
Date: 30 April 2001

FUNNYFRIEND LIMITED
ABBREVIATED BALANCE SHEET
AS AT 30TH JUNE 2000

	Notes	£	2000 £	1999 £
FIXED ASSETS	2			
Tangible fixed assets			474	949
CURRENT ASSETS				
Debtors		61,605	101,219	
Cash at bank and in hand		2,169	29,456	
		<u>63,774</u>	<u>130,675</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		<u>54,454</u>	<u>129,120</u>	
NET CURRENT ASSETS			<u>9,320</u>	<u>1,555</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>9,794</u>	<u>2,504</u>
CAPITAL AND RESERVES				
Share capital	3		100	100
Profit and loss account			<u>9,694</u>	<u>2,404</u>
SHAREHOLDERS' FUNDS			<u>9,794</u>	<u>2,504</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved by the board on 30 April, 2001 and signed on its behalf.


J M Thoday
Director


R Allen-Turner
Director

FUNNYFRIEND LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2000

1 ACCOUNTING POLICIES

Basis of Accounting

The Financial Statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company as defined by the Companies Act 1985.

Turnover

Turnover represents the total amount receivable for services rendered net of Value Added Tax.

Depreciation

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments over their expected useful lives. The rates generally applicable are:

Furniture and equipment	25% on cost
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2 FIXED ASSETS

	Tangible Fixed Assets
	£
Cost	
At 1st July 1999	1,897
At 30th June 2000	1,897
Depreciation	
At 1st July 1999	948
Charge for the year	475
At 30th June 2000	1,423
Net Book Value	
At 30th June 2000	474
At 30th June 1999	949

3 SHARE CAPITAL

	2000 £	1999 £
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
Allotted		
100 Allotted, called up and fully paid ordinary shares of £1 each	100	100

FUNNYFRIEND LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2000

4	PRIOR YEAR ADJUSTMENTS	2000 £	1999 £
	Retained Profit / (Loss) as previously reported	2,404	(36,796)
	Prior year adjustment	-	(15,000)
	Adjusted Retained Profit / (Loss)	2,404	(51,796)

In the 1998 financial statements the company had recognised income of £15,000 which was receivable by Avalon Television Limited, a company with common shareholders and directors. This has been removed by way of a prior year adjustment.

5 DIRECTORS INTERESTS

The company is controlled by J M Thoday, a director, who owns 80% of the issued ordinary share capital of the company.

(a) Avalon Promotions Limited

Avalon Promotions Limited is a company with common directors and shareholders. In the year ended 30th June 2000 the following transactions took place:-

Avalon Promotions Limited charged a management fee of £90,000 net to Funnyfriend.

Avalon Promotions Limited incurred expenses on behalf of the company totalling £78,291 net.

At the balance sheet date included in other debtors is a balance of £57,115 which is due from Avalon Promotions Limited.

(b) Avalon Management Group Limited

Avalon Management Group Limited is a company with common directors and shareholders. In the year ended 30th June 2000 the following transactions took place:-

Avalon Management Group Limited incurred expenses on behalf of the company totalling £5,628.

Avalon Management Group Limited charged a management fee of £17,225 to Funnyfriend.

At the balance sheet date included in other creditors is an amount of £34,250 which is due to Avalon Management Group Limited.

(c) Avalon Public Relations Limited

Avalon Public Relations Limited is a company with common directors and shareholders.

During the year Funnyfriend received funds on behalf of Avalon Public Relations Limited totalling £10,602.

At the balance sheet included in other creditors is an amount of £11,279 which is due to Avalon Public Relations Limited.