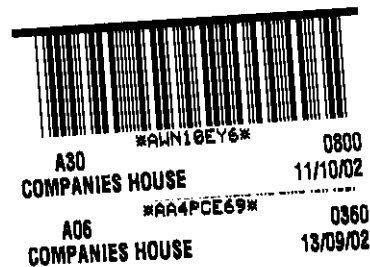


Company Registration No. 3569821 (England and Wales)

THE FARM POST PRODUCTION LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2001



THE FARM POST PRODUCTION LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Auditors' report	3
Abbreviated profit and loss account	4
Abbreviated balance sheet	5
Cash flow statement	6
Notes to the cash flow statement	7
Notes to the abbreviated accounts	8 - 16

THE FARM POST PRODUCTION LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2001

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 was that of television post production.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

Results and dividends

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

The directors recommend payment of an ordinary dividend amounting to £1,000,000.

Directors

The following directors have held office since 1 January 2001:

N S J Sargent

V C Dunn

O Hookway

P Richardson

(Appointed 2 July 2001)

Directors' interests

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

	Ordinary 'A' of £ 1 each	
	31 December 2001	1 January 2001
N S J Sargent	-	-
V C Dunn	-	-
O Hookway	-	-
P Richardson	-	-

	Ordinary 'B' of £ 1 each	
	31 December 2001	1 January 2001
N S J Sargent	-	-
V C Dunn	-	-
O Hookway	-	-
P Richardson	-	-

	Ordinary 'C' of £ 1 each	
	31 December 2001	1 January 2001
N S J Sargent	-	-
V C Dunn	-	-
O Hookway	-	-
P Richardson	-	-

Auditors

Dover Childs Tyler were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

THE FARM POST PRODUCTION LIMITED

AUDITORS' REPORT TO THE FARM POST PRODUCTION LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 16, together with the financial statements of the company for the year ended 31 December 2001 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

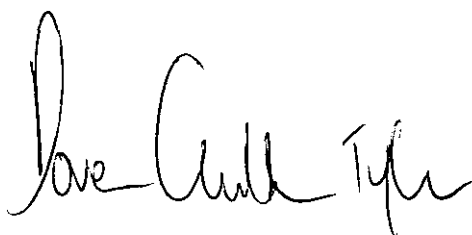
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts 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 accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 16 are properly prepared in accordance with that provision.



Dover Childs Tyler

Chartered Certified Accountants

Registered Auditors

7-9 Swallow Street

London

W1B 4DT

11/6/02

THE FARM POST PRODUCTION LIMITED

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

	Notes	2001 £	2000 £
Gross profit		4,552,775	3,295,019
Administrative expenses		(2,458,465)	(1,838,444)
Operating profit	2	2,094,310	1,456,575
Other interest receivable and similar income		27,719	28,811
Interest payable and similar charges	3	(357,678)	(294,853)
Profit on ordinary activities before taxation		1,764,351	1,190,533
Tax on profit on ordinary activities	4	(574,132)	(389,396)
Profit on ordinary activities after taxation		1,190,219	801,137
Dividends	5	(1,000,000)	(500,000)
Retained profit for the year	15	190,219	301,137

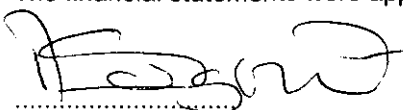
THE FARM POST PRODUCTION LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 2001

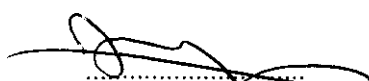
	Notes	2001 £	£	2000 £	£
Fixed assets					
Tangible assets	6	4,662,692		5,994,041	
Investments	7	37,800		37,800	
		<u>4,700,492</u>		<u>6,031,841</u>	
Current assets					
Stocks	8	26,723		16,724	
Debtors	9	1,893,950		1,649,628	
Cash at bank and in hand		745,375		505,874	
		<u>2,666,048</u>		<u>2,172,226</u>	
Creditors: amounts falling due within one year	10	(3,876,110)		(3,342,806)	
Net current liabilities		<u>(1,210,062)</u>		<u>(1,170,580)</u>	
Total assets less current liabilities		<u>3,490,430</u>		<u>4,861,261</u>	
Creditors: amounts falling due after more than one year	11	(1,868,447)		(3,335,518)	
Provisions for liabilities and charges	12	(378,551)		(472,531)	
		<u>1,243,432</u>		<u>1,053,212</u>	
Capital and reserves					
Called up share capital	14	392,157		392,157	
Share premium account	15	207,843		207,843	
Profit and loss account	15	643,432		453,212	
Shareholders' funds	16	<u>1,243,432</u>		<u>1,053,212</u>	

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board on 17.6.02



N S J Sargent
Director



O Hookway
Finance Director

THE FARM POST PRODUCTION LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2001

	2001 £	2000 £
Net cash inflow from operating activities	3,789,593	2,361,935
Returns on investments and servicing of finance		
Interest received	27,719	28,811
Interest paid	(77,844)	(90,658)
Interest element of finance lease rentals	(279,834)	(204,195)
Net cash outflow for returns on investments and servicing of finance	(329,959)	(266,042)
Taxation	(5,760)	-
Capital expenditure		
Payments to acquire tangible assets	(261,229)	(1,584,507)
Net cash outflow for capital expenditure	(261,229)	(1,584,507)
Acquisitions and disposals		
Purchase of subsidiary undertakings (net of cash acquired)	-	(37,800)
Net cash outflow for acquisitions and disposals	-	(37,800)
Equity dividends paid	(500,000)	(100,000)
Net cash inflow before management of liquid resources and financing	2,692,645	373,586
Financing		
Other new short term loans	-	450,000
Repayment of other long term loans	(650,000)	-
Repayment of other short term loans	(450,000)	-
Capital element of finance lease contracts	(1,353,144)	(752,405)
Net cash outflow from financing	(2,453,144)	(302,405)
Increase in cash in the year	239,501	71,181
Difference between opening & closing bank balances	239,501	71,181
CASH FLOW OUT OF BALANCE BY:	-	-

THE FARM POST PRODUCTION LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2001

1	Reconciliation of operating profit to net cash inflow from operating activities		2001	2000
			£	£
	Operating profit		2,094,310	1,456,575
	Depreciation of tangible assets		1,825,998	1,113,388
	Increase in stocks		(9,999)	(10,249)
	Increase in debtors		(244,322)	(751,966)
	Increase in creditors within one year		123,606	554,187
	Net cash inflow from operating activities		3,789,593	2,361,935

2	Analysis of net debt	1 January 2001	Cash flow	Other non-cash changes	31 December 2001
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	505,874	239,501	-	745,375
	Debt:				
	Finance leases	(3,998,295)	1,353,140	(233,415)	(2,878,570)
	Debts falling due within one year	(450,000)	450,000	-	-
	Debts falling due after one year	(650,000)	650,000	-	-
	Net debt	(4,592,421)	2,692,641	(233,415)	(2,133,195)

3	Reconciliation of net cash flow to movement in net debt	2001	2000
		£	£
	Increase in cash in the year	239,501	71,181
	Cash outflow from decrease in debt and lease financing	2,453,140	302,405
	Change in net debt resulting from cash flows	2,692,641	373,586
	New finance lease	(233,415)	(3,188,117)
	Movement in net debt in the year	2,459,226	(2,814,531)
	Opening net debt	(4,592,421)	(1,777,890)
	Closing net debt	(2,133,195)	(4,592,421)

THE FARM POST PRODUCTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2001

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

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

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	Over the period of the lease
Production equipment	Between 3 and 5 years
Office equipment	Over 4 years

1.4 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.8 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Operating profit

	2001	2000
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	1,825,998	1,113,388
Operating lease rentals	302,845	179,638
Auditors' remuneration	6,000	6,000
	<u> </u>	<u> </u>

THE FARM POST PRODUCTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2001

3	Interest payable	2001	2000
		£	£
	On other loans wholly repayable within 5 years	77,844	90,658
	Lease finance charges	279,834	204,195
		<u>357,678</u>	<u>294,853</u>
4	Taxation	2001	2000
		£	£
	Domestic current year taxation		
	U.K. corporation tax	668,112	-
	Deferred taxation	93,980	389,396
		<u>574,132</u>	<u>389,396</u>
5	Dividends	2001	2000
		£	£
	Ordinary final proposed	<u>1,000,000</u>	<u>500,000</u>

THE FARM POST PRODUCTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2001

6 Tangible fixed assets

	Land and buildings Leasehold	Production equipment	Office equipment	Total
	£	£	£	£
Cost				
At 1 January 2001	963,187	6,453,949	338,311	7,755,447
Additions	50,423	413,814	30,407	494,644
At 31 December 2001	1,013,610	6,867,763	368,718	8,250,091
Depreciation				
At 1 January 2001	109,761	1,555,507	96,138	1,761,406
Charge for the year	100,707	1,637,702	87,584	1,825,993
At 31 December 2001	210,468	3,193,209	183,722	3,587,399
Net book value				
At 31 December 2001	803,142	3,674,554	184,996	4,662,692
At 31 December 2000	853,426	4,898,442	242,173	5,994,041

Included above are assets held under finance leases or hire purchase contracts as follows:

	Production equipment £
Net book values	
At 31 December 2001	2,956,611
At 31 December 2000	4,068,550
Depreciation charge for the year	
31 December 2001	1,352,811
31 December 2000	793,405

THE FARM POST PRODUCTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2001

7 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2001 & at 31 December 2001	37,800

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Squash DVD Limited	England	ordinary	75

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
Squash DVD Limited	372,217	262,872

8 Stocks	2001 £	2000 £
Raw materials and consumables	26,723	16,724

9 Debtors	2001 £	2000 £
Trade debtors	1,561,777	1,302,685
Amounts owed by subsidiary undertakings	68,732	73,244
Other debtors	126,727	127,577
Prepayments and accrued income	136,714	146,122
	1,893,950	1,649,628

THE FARM POST PRODUCTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2001

10 Creditors: amounts falling due within one year	2001 £	2000 £
Net obligations under finance leases	1,010,123	1,312,777
Trade creditors	405,030	488,838
Corporation tax	662,352	-
Other taxes and social security costs	377,678	331,404
Other creditors	-	450,000
Accruals and deferred income	420,927	259,787
Proposed dividend	1,000,000	500,000
	<u>3,876,110</u>	<u>3,342,806</u>

THE FARM POST PRODUCTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2001

11 Creditors: amounts falling due after more than one year	2001 £	2000 £
Other loans	-	650,000
Net obligations under finance leases	1,868,447	2,685,518
	<u>1,868,447</u>	<u>3,335,518</u>
Analysis of loans		
Wholly repayable within five years	-	1,100,000
	<u>-</u>	<u>1,100,000</u>
Included in current liabilities	-	(450,000)
	<u>-</u>	<u>650,000</u>
Loan maturity analysis		
In more than two years but not more than five years	-	650,000
	<u>-</u>	<u>650,000</u>
Net obligations under finance leases		
Repayable within one year	1,197,512	1,584,300
Repayable between one and five years	2,035,338	3,019,345
	<u>3,232,850</u>	<u>4,603,645</u>
Finance charges and interest allocated to future accounting periods	(354,280)	(605,351)
	<u>2,878,570</u>	<u>3,998,294</u>
Included in liabilities falling due within one year	(1,010,123)	(1,312,777)
	<u>1,868,447</u>	<u>2,685,517</u>

Barclays Bank Plc have a first fixed and floating charge over the whole undertakings of the group in respect of the overdraft facility and any further finance given including a guarantee for Squash DVD Limited.

The Scottish Life Assurance Company has a charge over a rent deposit of £29,595.

WPP Group (UK) Limited have a fixed and floating charge over the whole undertakings of the company in respect of all obligations and liabilities.

THE FARM POST PRODUCTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2001

12 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 January 2001	472,531
Profit and loss account	(93,980)
Balance at 31 December 2001	<u>378,551</u>

Deferred taxation provided in the financial statements is as follows:

	Fully provided 2001 £	2000 £
Accelerated capital allowances	<u>378,551</u>	<u>472,531</u>

13 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £13,846 (2000 - £13,720). Contributions totalling £nil (2000 - £nil) were payable to the fund at the year end and are included in creditors.

14 Share capital

	2001 £	2000 £
Authorised		
192,157 Ordinary 'A' of £ 1 each	192,157	192,157
100,000 Ordinary 'B' of £ 1 each	100,000	100,000
100,000 Ordinary 'C' of £ 1 each	100,000	100,000
	<u>392,157</u>	<u>392,157</u>
 Allotted, called up and fully paid		
192,157 Ordinary 'A' of £ 1 each	192,157	192,157
100,000 Ordinary 'B' of £ 1 each	100,000	100,000
100,000 Ordinary 'C' of £ 1 each	100,000	100,000
	<u>392,157</u>	<u>392,157</u>

THE FARM POST PRODUCTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2001

15 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 January 2001	207,843	453,213
Retained profit for the year	-	190,219
Balance at 31 December 2001	207,843	643,432

16 Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Profit for the financial year	1,190,219	801,137
Dividends	(1,000,000)	(500,000)
Net addition to shareholders' funds	190,219	301,137
Opening shareholders' funds	1,053,212	752,075
Closing shareholders' funds	1,243,432	1,053,212

17 Financial commitments

At 31 December 2001 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2001 £	2000 £
Expiry date: In over five years	290,375	290,375

18 Directors' emoluments

	2001 £	2000 £
Emoluments for qualifying services	232,499	176,667
Emoluments disclosed above include the following amounts paid to the highest paid director:		
Emoluments for qualifying services	105,000	88,333

THE FARM POST PRODUCTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2001

19 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2001 Number	2000 Number
Administration	34	27
Operations	32	25
	<u>66</u>	<u>52</u>

Employment costs

	£	£
Wages and salaries	2,484,459	1,709,509
Social security costs	245,326	175,621
Other pension costs	13,846	13,720
	<u>2,743,631</u>	<u>1,898,850</u>

20 Ultimate parent company

The immediate and ultimate parent company is Lenny Limited which is a Isle of Man registered Company.