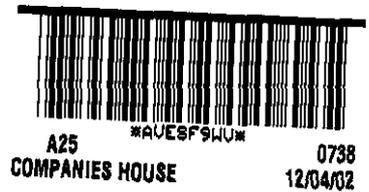


REDWOOD STUDIOS LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2001

PHILIP HUDSON & CO
Chartered Accountants
89 Chiswick High Road
London W4 2EF



The Company's Incorporation No. is: 1320249

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REPORT OF THE DIRECTORSREDWOOD STUDIOS LIMITED

The director presents his annual report and the accounts of the company for the year ended 30 June 2001.

Principal activity

The principal activity of the company in the year under review was that of a recording studio.

Director

The director who has held office during the year and his beneficial interests in the company's issued ordinary share capital were as follows:

	<u>2001</u>		<u>2000</u>	
	Deferred Ordinary		Deferred Ordinary	
A Jacquemin	85	85	85	85

Director's responsibilities

Company law requires the director to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those accounts, the director is required to:

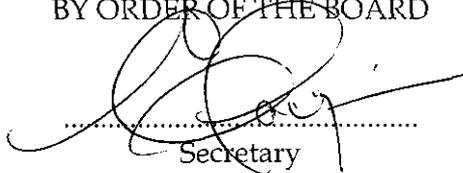
- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 accounts comply with the Companies Act 1985. He is 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.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities.

BY ORDER OF THE BOARD



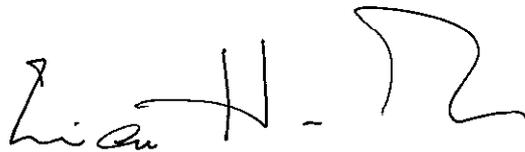
 Secretary

Registered Office:
 12 Bluebridge Road
 Brookman's Park
 Hatfield
 Herts AL9 7SB

3 April 2002

ACCOUNTANTS REPORT TO THE SHAREHOLDERS
ON THE UNAUDITED ACCOUNTS OF REDWOOD STUDIOS LIMITED

As described on the balance sheet on page 4 the directors are responsible for the preparation of the accounts for the year ended 30 June 2001 set out on pages 3 to 7 and they consider that the company is exempt from an audit under the Companies Act 1985. In accordance with their instructions, we have compiled these unaudited accounts in order to assist them fulfil their statutory responsibilities, from the accounting records and information and explanations supplied to us.



Philip Hudson & Co.
Chartered Accountants
89 Chiswick High Road
London W4 2EF

10 April 2002

REDWOOD STUDIOS LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 30 JUNE 2001

	<u>Note</u>	<u>2001</u>	<u>2000</u>
Turnover	(1e)	182,911	166,951
Cost of sales		36,876	36,643
Gross profit		<u>146,035</u>	<u>130,308</u>
Administration expenses		111,373	86,169
Operating profit		<u>34,662</u>	<u>44,139</u>
Interest receivable and similar income	(2)	1,788	391
Profit on ordinary activities before taxation	(3)	<u>36,450</u>	<u>44,530</u>
Tax on profit on ordinary activities	(4)	5,608	8,550
Profit on ordinary activities after taxation		<u>30,842</u>	<u>35,980</u>
Dividends		-	5,000
Retained profit for the year		<u>30,842</u>	<u>30,980</u>
Retained profit at beginning of year		96,859	65,879
Retained profit at end of year		<u>£ 127,701</u> =====	<u>£ 96,859</u> =====

Continuing operations

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

Total recognised gains and losses

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

The accompanying notes form an integral part of these accounts.

REDWOOD STUDIOS LIMITED

BALANCE SHEET

AT 30 JUNE 2001

	<u>Notes</u>	<u>2001</u>	<u>2000</u>
<u>Fixed assets</u>			
Tangible assets	(5)	80,194	77,279
<u>Current assets</u>			
Debtors	(6)	37,708	26,458
Cash at bank and in hand		61,757	49,261
		<u>99,465</u>	<u>75,719</u>
Creditors: amounts falling due within one year	(7)	36,097	34,278
Net current assets		63,368	41,441
Total assets less current liabilities		<u>143,562</u>	<u>118,720</u>
Creditors: amounts falling due after more than one year	(8)	(15,661)	(21,661)
		<u>£ 127,901</u>	<u>£ 97,059</u>
		=====	=====
<u>Capital and reserves</u>			
Called up share capital	(9)	200	200
Profit and loss account		127,701	96,859
	(10)	<u>£ 127,901</u>	<u>£ 97,059</u>
		=====	=====

In the director's opinion the company is entitled to the exemption from audit conferred by subsection 1 of section 249A of the Companies Act 1985 for the year ended 30 June 2001.

The director confirms that no notice under Section 249B (2) of the Companies Act 1985 requiring an audit has been deposited by members.

The director confirms that he is responsible for :

- a) ensuring that the company keeps accounting records which comply with the requirements of section 221 of the Companies Act 1985, and
- b) preparing accounts which give a true and fair view of the state of affairs of the company as at 30 June 2001 and of its results for the period then ended in accordance with the requirements of section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

In preparing these accounts the directors have complied 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.

The accounts were approved by the board on 8 April 2002.



The accompanying notes form an integral part of these accounts.

REDWOOD STUDIOS LIMITEDNOTES TO THE ACCOUNTSFOR THE YEAR ENDED 30 JUNE 20011. Accounting policies

The principal accounting policies, which have been consistently applied, are:-

a) Basis of accounting

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

b) Tangible fixed assets

Fixed assets are stated at original historical cost less aggregate depreciation.

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

Premises	5% on cost
Motor vehicles	25% on cost
Furniture, equipment and fittings	15% reducing balance

c) Taxation

The charge for taxation is based on the results for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes.

d) Cash flow statement

The company qualifies as a small Company within the meaning of the Companies Act, 1985 and is therefore exempt from the preparation of Cash Flow Statement under Financial Reporting Standard No 1.

e) Turnover

Turnover comprises the value of sales (excluding VAT) of goods and services supplied in the normal course of business.

2. Interest receivable and similar income

	<u>2001</u>	<u>2000</u>
Bank interest	£ 1,788	£ 391

=====

3. Profit on ordinary activities before taxation

	<u>2001</u>	<u>2000</u>
--	-------------	-------------

Profit on ordinary activities before taxation is arrived at, after charging:-

Director's remuneration	£ 26,000	£ 26,000
Depreciation	£ 11,459	£ 10,040
Profit on sale of fixed assets	£ (550)	£ (649)

REDWOOD AGENCIES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2001

4. Taxation on profit on ordinary activities

	<u>2001</u>	<u>2000</u>
Based on the profit for the year:-		
UK Corporation Tax	5,608	8,550
	=====	=====

5. Tangible fixed assets

	Property	Motor Vehicle	Furniture & Equipment	Total
COST				
At 1 July 2000	40,337	5,500	116,035	161,872
Additions	1,900	-	12,474	14,374
Disposal	-	-	(550)	(550)
At 30 June 2001	<u>42,237</u>	<u>5,500</u>	<u>127,959</u>	<u>175,696</u>
DEPRECIATION				
At 1 July 2000	5,106	4,125	75,362	84,593
Charge for year	2,112	1,375	7,972	11,459
Eliminated on disposal	-	-	(550)	(550)
At 30 June 2001	<u>7,218</u>	<u>5,500</u>	<u>82,784</u>	<u>95,502</u>
Net book value				
At 30 June 2001	<u>£ 35,019</u>	<u>-</u>	<u>£ 45,175</u>	<u>£ 80,194</u>
	=====	=====	=====	=====
At 30 June 2000	<u>£ 35,231</u>	<u>£ 1,375</u>	<u>£ 40,673</u>	<u>£ 77,279</u>
	=====	=====	=====	=====

6. Debtors

	<u>2001</u>	<u>2000</u>
Trade debtors	29,923	24,756
Prepayments and other debtors	7,785	1,702
	<u>£ 37,708</u>	<u>£ 26,458</u>
	=====	=====

REDWOOD AGENCIES LIMITEDNOTES TO THE ACCOUNTS (CONTINUED)FOR THE YEAR ENDED 30 JUNE 2001

7.	<u>CREDITORS: amounts falling due within one year</u>		
		<u>2001</u>	<u>2000</u>
	Trade creditors	3,157	2,852
	Corporation tax	5,608	8,550
	Other taxes and social security	11,394	1,770
	Accruals and deferred income	1,989	5,757
	Director's current account	6,295	6,945
	Other creditors	7,654	8,404
		<u>£ 36,097</u>	<u>£ 34,278</u>
		=====	=====
8.	<u>CREDITORS: amounts falling due after more than one year</u>		
		<u>2001</u>	<u>2000</u>
	Gumby Corporation Ltd	£ 15,661	£ 21,661
		=====	=====
9.	<u>Called up share capital</u>		
		<u>2001</u>	<u>2000</u>
	Authorised: issued and fully paid		
	4,900 Ordinary shares of £1 each	4,900	4,900
	100 Deferred shares of £1 each	£ 100	£ 100
	Issued and fully paid:		
	100 Ordinary shares of £1 each	£ 100	£ 100
	100 Deferred shares of £1 each	£ 100	£ 100
10.	<u>Reconciliation of movement of shareholders' funds</u>		
		<u>2001</u>	<u>2000</u>
	Opening shareholder's funds	97,059	66,079
	Profit for the financial year after taxation	30,842	35,980
	Dividends	-	(5,000)
	Closing shareholder's funds	<u>£ 127,901</u>	<u>£ 97,059</u>
		=====	=====