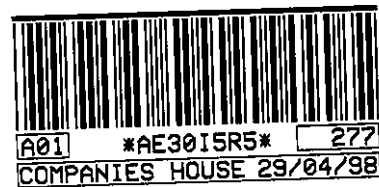


Box Productions Limited
Company No: 1994829

BOX PRODUCTIONS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1997



BOX PRODUCTIONS LIMITED

INDEX TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1997

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BOX PRODUCTIONS LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year ended 30 June 1997.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the production of broadcast television programmes.

DIRECTORS AND THEIR INTERESTS

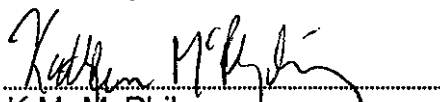
The directors at the balance sheet date and their interests in the company at that date and the beginning of the year were as follows:

	<u>Class of share</u>	<u>Number of shares</u>	
		<u>1997</u>	<u>1996</u>
J J S McPhilemy	Ordinary shares of £1 each	1	1
K M McPhilemy	Ordinary shares of £1 each	1	1

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

By the order of the board

Secretary


K M McPhilemy

27 April 1998

BOX PRODUCTIONS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 1997

	<u>Notes</u>	<u>1997</u> £	<u>1996</u> £
TURNOVER	2	12,694	120,808
Cost of sales		<u>(4,110)</u>	<u>(80,368)</u>
GROSS PROFIT		8,584	40,440
Administrative expenses		<u>(28,831)</u>	<u>(29,854)</u>
		(20,247)	10,586
Interest payable		<u>(3,024)</u>	<u>(3,568)</u>
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(23,271)	7,018
Tax on ordinary activities	4	<u>-</u>	<u>-</u>
(LOSS) / PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(23,271)	7,018
Balance brought forward		<u>(31,069)</u>	<u>(38,087)</u>
BALANCE CARRIED FORWARD		<u><u>(54,340)</u></u>	<u><u>(31,069)</u></u>

The company has no recognised gains or losses other than those dealt with in the profit and loss account.

All amounts relate to continuing activities.

The attached notes form part of these financial statements.

BOX PRODUCTIONS LIMITED

BALANCE SHEET AS AT 30 JUNE 1997

		1997		1996	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	5		2,295		2,750
CURRENT ASSETS					
Debtors	6	-		3,970	
Cash at bank and in hand		<u>1</u>		<u>12,936</u>	
		1		16,906	
CREDITORS:					
Amounts falling due within one year	7	<u>(56,634)</u>		<u>(50,723)</u>	
NET CURRENT LIABILITIES			<u>(56,633)</u>		<u>(33,817)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(54,338)</u>		<u>(31,067)</u>
CAPITAL AND RESERVES					
Called up share capital	8		2		2
Profit and loss account			<u>(54,340)</u>		<u>(31,069)</u>
			<u>(54,338)</u>		<u>(31,067)</u>

The statements required to be made by the company's directors and the signature required by the Companies Act 1985 are given on the following page.

The attached notes form part of the financial statements.

BOX PRODUCTIONS LIMITED

BALANCE SHEET (Continued)

AT JUNE 1997

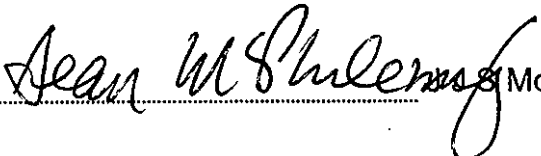
The directors are satisfied that the company was entitled to exemption under section 249(1) of the Companies Act 1985 and that no member or members have requested an audit pursuant to section 249B(2) in relation to the financial statements for the year.

The directors acknowledge their responsibilities for ensuring that:-

- 1) The company keeps accounting records which comply with section 221 of the Companies Act 1985;
- 2) The financial statements give a true and fair view of the state of affairs of the company as at 30 June 1997 and or its profit or loss for the year then ended 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 is applicable to the company.

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

The financial statements were approved by the board on 27 April 1998 and signed on its behalf by:


..... Sean McPhilemy

The attached notes form part of these financial statements.

BOX PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AT 30 JUNE 1997

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year and also have been consistently applied within the same financial statements.

Basis of Preparation of the Financial Statements

The financial statements are prepared under the historical cost convention.

The effect of events relating to the year ended 30 June 1997 which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the financial statements to the extent required to show a true and fair view of the state of affairs at 30 June 1997 and of the profit for the year ended on that date.

Depreciation:

Depreciation is provided on all tangible fixed assets at the following annual rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life.

Furniture and equipment	25% Reducing balance basis
-------------------------	----------------------------

Deferred Taxation

The company has adopted the proposals of Statement of Standard Accounting Practice No. 15 whereby no provision has been made for deferred taxation arising from the excess of accelerated capital allowances over depreciation charged in the financial statements as no liability of this nature is expected to arise in the foreseeable future.

2. TURNOVER

The company's turnover represents the value, excluding value added tax, of goods and services supplied.

BOX PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AT 30 JUNE 1997

3. OPERATING (LOSS) / PROFIT

	1997	1996
This is stated after charging:	£	£
Directors' emoluments	19,000	-
Depreciation	<u>764</u>	<u>917</u>

4. TAX ON ORDINARY ACTIVITIES

There is no liability to corporation tax as a loss arose during the year.

5. TANGIBLE FIXED ASSETS

	Furniture & Equipment
	£
Cost:	
At 1 July 1996	8,694
Additions in year	<u>309</u>
At 30 June 1997	<u>9,003</u>
Depreciation:	
At 1 July 1996	5,944
Charge for the year	<u>764</u>
At 30 June 1997	<u>6,708</u>
Net book value:	
At 30 June 1997	<u>2,295</u>
At 30 June 1996	<u>2,750</u>

BOX PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AT 30 JUNE 1997

<u>6. DEBTORS</u>	<u>1997</u>	<u>1996</u>
	£	£
Trade debtors	-	2,979
Prepayments	-	991
	<u>-</u>	<u>3,970</u>

<u>7. CREDITORS</u>	<u>1997</u>	<u>1996</u>
<u>AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	£	£
Directors current account	6,645	3,357
Bank loans and overdraft	48,037	26,015
Taxes and social security costs	852	9,735
Accruals	<u>1,100</u>	<u>11,616</u>
	<u>56,634</u>	<u>50,723</u>

There exists a guarantee on the bank loan given by the directors for the sum of £95000 which is dated June 1993.

<u>8. SHARE CAPITAL</u>	<u>Authorised</u>	<u>Allotted, called up and fully paid</u>
	£	£
Ordinary shares of £1 each	<u>1,000</u>	<u>2</u>

There have been no changes during the year.

BOX PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AT 30 JUNE 1997

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1997</u>	<u>1996</u>
	£	£
(LOSS) / PROFIT FOR THE FINANCIAL YEAR	(23,271)	7,018
Opening shareholders' funds	<u>(31,067)</u>	<u>(38,085)</u>
CLOSING SHAREHOLDERS' FUNDS	<u>(54,338)</u>	<u>(31,067)</u>

10. TRANSACTIONS WITH DIRECTORS

There exists a guarantee on the bank loan given by the directors for the sum of £ 95,000 which is dated 26 July 1993.

11. GOING CONCERN

The financial statements have been prepared on the basis which assumes continued support from the creditors and in particular its bankers and its shareholders.

The company has been trading since the balance sheet date at a reduced level and with further severe conditions in administration expenses. On this basis the directors are of the opinion that although the company has net current liabilities, the financial statements should be drawn up on a going concern basis.

Should the company be unable to continue trading, adjustments would have to be made to reduce the value of assets to their recoverable amount and to provide for any further liabilities which may arise.