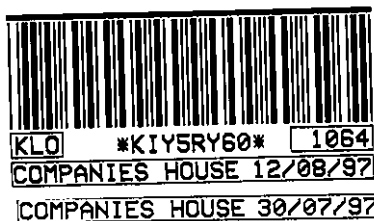


STOKE FILMS LIMITED

**DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 SEPTEMBER 1996

Company No. 2179623 (England and Wales)



STOKE FILMS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 1996

The directors present their report and financial statements for the year ended 30 September 1996.

Principal Activities

The principal activity of the company continued to be that of a film company.

Directors' Interests

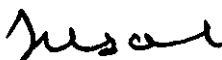
The directors who served during the year and their beneficial interests in the shares of the company were as stated below.

	Ordinary shares of £1 each	
	30 September 1996	1 October 1995
N Brown	-	-
S Sylvester	-	-

S Sylvester resigned as a director of the company on 21 October 1996.

In the preparation of the directors' report advantage has been taken of the special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

By order of the Board



J H Seigal

Secretary

28/7/97

STOKE FILMS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 1996

	Notes	1996 £	1995 £
Turnover	1	13,973	4,122
Cost of sales		(1,751)	(189)
Gross profit		12,222	3,933
Administrative expenses		(1,737)	(4,246)
Operating profit/(loss)	2	10,485	(313)
Other interest receivable and similar income	3	41	450
Interest payable and similar charges		(10)	(2)
Profit on ordinary activities before taxation		10,516	135
Tax on profit on ordinary activities	4	(2,581)	(133)
Profit on ordinary activities after taxation	8	£7,935	£2

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

STOKE FILMS LIMITED

BALANCE SHEET AS AT 30 SEPTEMBER 1996

	Notes	1996 £	£	1995 £	£
Current Assets					
Debtors	5	997		1,048	
Cash at bank and in hand		5,611		-	
		<u>6,608</u>		<u>1,048</u>	
Creditors: amounts falling due within one year	6	(3,722)		(6,097)	
		<u></u>		<u></u>	
Total Assets Less Current Liabilities			<u>£2,886</u>		<u>(£5,049)</u>
Capital and Reserves					
Called up share capital	7		100		100
Profit and loss account	8		2,786		(5,149)
			<u></u>		<u></u>
Equity Shareholders' Funds	9		<u>£2,886</u>		<u>(£5,049)</u>

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

In preparing these financial statements:

- (a) Advantage has been taken of the special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985, and
- (b) In the directors' opinion the company is entitled to these exemptions as a small company.

The financial statements were approved by the Board on 28/7/97.


N Brown
Director

STOKE FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1996

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 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Operating Profit/(Loss)	1996	1995
	£	£
Operating profit/(loss) is stated after charging:		
Hire of plant and machinery	135	587
	=====	=====
3 Other Interest Receivable and Similar Income	1996	1995
	£	£
Bank interest	41	450
	=====	=====
4 Taxation	1996	1995
	£	£
U.K. Current year taxation		
U.K. Corporation tax at 24.5% (1995 - 25%)	2,581	34
Prior years		
U.K. Corporation tax	-	99
	=====	=====
	2,581	133
	=====	=====
5 Debtors	1996	1995
	£	£
Trade debtors	862	329
Other debtors	135	719
	=====	=====
	997	1,048
	=====	=====

STOKE FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1996

6	Creditors: amounts falling due within one year	1996	1995
		£	£
	Bank loans and overdrafts	-	48
	Corporation tax	2,581	784
	Other creditors	1,141	5,265
		<u>3,722</u>	<u>6,097</u>
7	Share Capital	1996	1995
		£	£
	Authorised		
	1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	Allotted, called up and fully paid		
	100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
8	Statement of Movement on Reserves		
			Profit and loss account
			£
	Balance at 1 October 1995		(5,149)
	Retained profit for the year		7,935
	Balance at 30 September 1996		<u>2,786</u>
9	Reconciliation of Movements in Shareholders' Funds	1996	1995
		£	£
	Profit for the financial year	7,935	2
	Opening shareholders' funds	(5,049)	(5,051)
	Closing shareholders' funds	<u>2,886</u>	<u>(5,049)</u>

STOKE FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1996

10 Transactions With Directors

Mr N Brown is a partner in Gelfand, Rennert, Feldman & Brown. During the year, the company was charged accountancy fees by this firm, on an arms length basis, of £1,000 (1995 - £1,000).