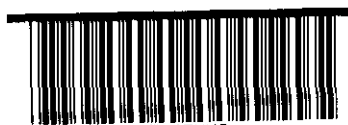


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ARDENT INTERNATIONAL SALES LIMITED

(Registration number: 3336154)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 1999**



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JOHN R NORMAN & CO

CHARTERED CERTIFIED ACCOUNTANTS

ARDENT INTERNATIONAL SALES LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1999

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DIRECTORS

E.A.R.L. Wessex
M.W. Cockren
M.A.B. Eldridge
D.J. Norris

SECRETARY

M.A.B. Eldridge

REGISTERED OFFICE

The Old Stables
Bagshot Park
Bagshot
Surrey
GU19 5PJ

REGISTERED NUMBER

3336154

AUDITORS

John R. Norman & Co.
Chartered Certified Accountants
Pinner, Middlesex
HA5 3NN

BANKERS

Coutts & Co.,
440 Strand,
London,
WC2R 0QS

ARDENT INTERNATIONAL SALES LIMITED

DIRECTORS' REPORT

The directors present their annual report with the financial statements of the company for the year ended 31 December 1999.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the distribution of television and video programmes.

DIRECTORS

The directors in office in the year are as shown below and they have no beneficial interests in the issued share capital of the company. Their beneficial interests in the issued share capital of the ultimate holding company are as follows:

	Ordinary shares	
	1999	1998
E.A.R.L. Wessex	205,000	205,000
M.W. Cockren	15,000	15,000
M.A.B. Eldridge	3,000	3,000
D.J. Norris	NIL	NIL

E.A.R.L. Wessex, M.W. Cockren and M.A.B. Eldridge are also directors of the ultimate parent company, Ardent Productions Limited.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year 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 the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with applicable Accounting Standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining 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 financial statements comply with the Companies Act 1985. They are 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.


AUDITORS

The auditors, Messrs. John R. Norman & Co., will be proposed for re-appointment in accordance with Section 385(2) of the Companies Act 1985.

SMALL COMPANY EXEMPTION

The directors have prepared this report in accordance with Part VII of the Companies Act 1985 relating to small companies.

Signed by order of the board :



.....
M.A.B. Eldridge
Secretary

4 September 2000

**AUDITORS' REPORT TO THE MEMBERS OF
ARDENT INTERNATIONAL SALES LIMITED**

We have audited the financial statements on pages 5 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

As described in the Directors' Report, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

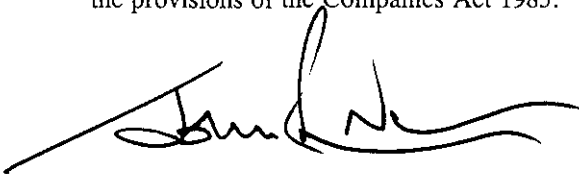
BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 1999 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



**John R. Norman & Co.
Chartered Certified Accountants
Registered Auditors
Pinner, Middlesex.**

5 September 2000

ARDENT INTERNATIONAL SALES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1999**

	Notes	1999 £	1998 £
TURNOVER		38,863	61,850
Administrative expenses		56,164	46,432
OPERATING LOSS	2	(17,301)	15,418
Investment income and interest receivable	3	3,284	6,236
Interest payable and similar charges	4	(14,714)	(18,283)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(28,731)	3,371
Tax on loss on ordinary activities	5	-	(1,241)
ACCUMULATED LOSS FOR THE FINANCIAL YEAR		(28,731)	2,130
Retained profits brought forward		6,303	4,173
ACCUMULATED LOSSES CARRIED FORWARD		(22,428)	6,303

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.

Historical cost

The loss for the year has been calculated on the historical cost basis.

The notes on pages 7 to 9 form part of these financial statements.

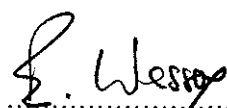
ARDENT INTERNATIONAL SALES LIMITED

BALANCE SHEET
AT 31 DECEMBER 1999

		1999		1998	
	Notes	£	£	£	£
CURRENT ASSETS					
Debtors	6	11,668		88,725	
Investment in productions	7	87,741		153,183	
Cash at bank and in hand		115,177		31,663	
		<u>214,586</u>		<u>273,571</u>	
CREDITORS: amounts falling due within one year	8	<u>(236,014)</u>		<u>(266,268)</u>	
NET CURRENT LIABILITIES			<u>(21,428)</u>		<u>7,303</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(21,428)</u>		<u>7,303</u>
CAPITAL AND RESERVES					
Called up share capital	9		1,000		1,000
Profit and loss account			<u>(22,428)</u>		<u>6,303</u>
TOTAL SHAREHOLDERS' FUNDS	10		<u>(21,428)</u>		<u>7,303</u>

These 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 of directors on 4 September 2000 and signed on its behalf by:



E.A.R.L. Wessex
Director

The notes on pages 7 to 9 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1999

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards.

The financial statements have also been prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the significant accounting policies adopted by the company in the preparation of the financial statements.

Consolidation

The company forms part of a small group. The ultimate parent company has taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts.

Cash flow statement

The company has taken advantage of the exemption, conferred by Financial Reporting Standard 1, from presenting a cash flow statement as it qualifies as a small company.

Turnover

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into the profit and loss account for the year.

2. OPERATING LOSS

Operating loss is stated after charging:	1999	1998
	£	£
Management charges	7,500	14,500
Auditors' remuneration	1,250	1,000

The management charges are payable to the ultimate parent company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1999

3. INVESTMENT INCOME AND INTEREST RECEIVABLE

	1999 £	1998 £
Bank interest	<u>3,284</u>	<u>6,236</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	1999 £	1998 £
Loan interest	<u>14,714</u>	<u>18,283</u>

5. TAX ON LOSS ON ORDINARY ACTIVITIES

	1999 £	1998 £
The taxation charge comprises:		
Corporation tax for the current year	-	724
Adjustment in respect of prior years	-	<u>517</u>
	<u>-</u>	<u>1,241</u>

It is anticipated that the company's trading activities during the year will not give rise to a corporation tax liability.

6. DEBTORS

	1999 £	1998 £
Trade debtors	11,250	83,350
Amounts owed by group undertakings	-	3,500
Sundry debtors	218	1,675
Prepayments	200	200
	<u>11,668</u>	<u>88,725</u>

7. INVESTMENT IN PRODUCTIONS

Investment in productions represents the net cost of acquiring programme distribution rights.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1999

8. CREDITORS: amounts falling due within one year

	1999	1998
	£	£
Trade creditors	24,094	55,016
Amounts owed to associated undertaking	200,000	200,000
Amounts owed to group undertaking	1,500	-
Sundry creditors and accruals	10,420	11,252
	<u>236,014</u>	<u>266,268</u>

The amount owed to the associated undertaking shown above is secured on programme copyrights acquired by the company.

9. SHARE CAPITAL

	1999	1998
	£	£
Authorised:		
Equity interests:		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid:		
Equity interests:		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999	1998
	£	£
(Loss) / profit for the year	(28,731)	2,130
Opening shareholders' funds	<u>7,303</u>	<u>5,173</u>
Closing shareholders' funds	<u>(21,428)</u>	<u>7,303</u>
Represented by:-		
Equity interests	<u>(21,428)</u>	<u>7,303</u>

11. ULTIMATE PARENT COMPANY

The ultimate parent company is Ardent Productions Limited, a company registered in England.