

24 HOUR FILMS LIMITED
DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS
31ST DECEMBER, 2001



AGN s h i p l e y s

chartered accountants

24 HOUR FILMS LIMITED

DIRECTORS' REPORT

A.C.Eaton

Secretary and Registered Office

G.R.Carter
9A Dallington Street,
London EC1V 0BQ.

DIRECTORS' REPORT

The director submits his report and financial statements for the period to 31st December, 2001.

ACTIVITIES

The company was incorporation on 18th September, 2000.

The principal activity of the company is the development and production of film projects.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

During the period the company has developed and produced a film entitled "24 Hour Party People" which was delivered in the period. The project was complete at the period end, and consequently all income and expenditure associated with the project has been included within the profit and loss account.

The director does not envisage this company trading in the foreseeable future.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The director is required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the financial year and of the results of the company for that year. The director considers that in preparing the financial statements the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates and confirm that all applicable accounting standards have been followed. The financial statements have been prepared on a going concern basis.

The director is responsible for ensuring that the company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and for ensuring that the financial statements comply with the Companies Act 1985. The director also has responsibility for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

24 HOUR FILMS LIMITED

DIRECTORS' REPORT - CONTINUED

DIRECTOR AND HIS INTERESTS

The director who served during the period and his interest in the share capital of the company is detailed below:-

	£1 Ordinary Shares	
	At 31st December, 2001	On Incorporation
A.C.Eaton	1	1

AUDITORS

A resolution to reappoint AGN Shipleys as auditors will be proposed at the Annual General Meeting.

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By Order of the Board



A.C Eaton
Director

25th June, 2002

AGN s h i p l e y s*chartered accountants*

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**24 HOUR FILMS LIMITED**

We have audited the financial statements of 24 Hour Films Limited for the period ended 31st December, 2001, which comprises the Profit and Loss Account, the Balance sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000) and under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 director 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.

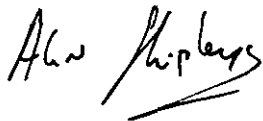
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

24 HOUR FILMS LIMITED – CONTINUED

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December, 2001 and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'AGN Shipleys', with a horizontal line underneath.

AGN SHIPLEYS

Registered Auditors

25th June, 2002

24 HOUR FILMS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31ST DECEMBER, 2001

	Notes	2001 £
TURNOVER – continuing operations	1.1	4,948,679
COST OF SALES		<u>(4,948,679)</u>
ADMINISTRATIVE EXPENSES		-
PROFIT ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION AND CARRIED FORWARD – continuing operations		<u>£ -</u>

The notes on page 7 form part of these financial statements.

24 HOUR FILMS LIMITED

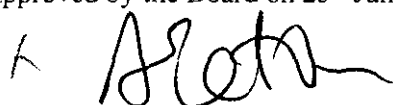
BALANCE SHEET

AS AT 31ST DECEMBER, 2001

	Notes	2001	
		£	£
CURRENT ASSETS			
Other Debtors		1,374,867	
Cash at bank and in hand		<u>6,336</u>	
			1,381,203
CREDITORS : Amounts falling due in less than one year	3	<u>(1,381,201)</u>	
			<u>(1,381,201)</u>
NET CURRENT ASSETS			<u>£2</u>
CAPITAL AND RESERVES			
Called up share capital	4		2
Profit and loss account			-
			<u>£2</u>

These financial statements have been prepared in accordance with the special provisions relating to smaller companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000)

Approved by the Board on 25th June, 2002



A.C.Eaton - Director

**MOVEMENT IN SHAREHOLDERS' FUNDS
FOR THE PERIOD ENDED 31ST DECEMBER, 2001**

	2001
	£
Shareholders' funds brought forward	-
Issue of share capital on incorporation	<u>2</u>
Shareholders' funds carried forward	<u>£2</u>

There were no recognised gains or losses in the year.

The notes on page 7 form part of these financial statements.

24 HOUR FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31ST DECEMBER, 2001

1. ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention and the Financial Reporting Standard for Smaller Entities (effective March 2000) in accordance with the following policies:

1.1 Turnover

Turnover relates purely to the company's principal activity, and is stated net of Value Added Tax.

1.2 Comparatives

The financial statements cover the period from incorporation on 18th September, 2000 to 31st December 2001, hence there are no comparatives.

2. DIRECTORS AND EMPLOYEES

Number

The average number of persons employed by the company during the period was :-

1
===

3. CREDITORS

2001
£

Trade creditors
Bank Overdraft
Accruals

32,156
992,215
356,830

£1,381,201
=====

4. CALLED UP SHARE CAPITAL

Authorised

2 ordinary shares of £1 each

£2
==

Allotted and called up

2 ordinary shares of £1 each

£2
==