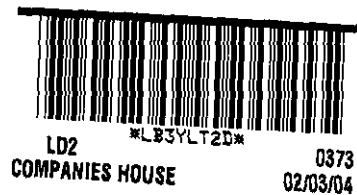


Company Registration No. 2129237 (England and Wales)

REVISED

BELL THEATRE SERVICES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002



BELL THEATRE SERVICES LIMITED

COMPANY INFORMATION

Directors	S M Mitchell C M Bell
Secretary	S Dixon
Company number	2129237
Registered office	9b Chester Road Borehamwood Hertfordshire WD6 1LT
Auditors	Saffery Champness Lion House Red Lion Street London WC1R 4GB
Bankers	Bank of Scotland plc The Mound Edinburgh EH1 1YZ Lloyds TSB Bank plc 18 Wigmore Street London WH1 0LT

BELL THEATRE SERVICES LIMITED

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BELL THEATRE SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2002

The directors present their report and financial statements for the year ended 31 March 2002.

Principal activities and review of the business

The principal activity of the company continued to be that of installation and sale of cinema sound and projection equipment and equipment for cinemas. The company also provides service contracts in respect of the equipment provided and fitted by the company.

The directors consider the result for the year to be satisfactory.

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of an ordinary dividend.

Future developments

The directors anticipate that trading will continue at its current level in the foreseeable future.

Directors

The following directors have held office since 1 April 2001:

S M Mitchell
C M Bell

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 March 2002	1 April 2001
S M Mitchell	-	-
C M Bell	2	2
Charitable donations	2002	2001
	£	£
During the year the company made the following payments:		
Charitable donations	1,787	261

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Saffery Champness be reappointed as auditors of the company will be put to the Annual General Meeting.

BELL THEATRE SERVICES LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2002

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 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;
- 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 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 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.

On behalf of the board

C M Bell

Director

27 February 2004



BELL THEATRE SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BELL THEATRE SERVICES LIMITED

We have audited the financial statements of Bell Theatre Services Limited on pages 5 to 16 for the year ended 31 March 2002. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the 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.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 directors' report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 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.

BELL THEATRE SERVICES LIMITED

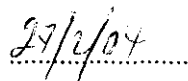
**INDEPENDENT AUDITORS' REPORT (continued)
TO THE SHAREHOLDERS OF BELL THEATRE SERVICES LIMITED**

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Saffery Champness

Chartered Accountants
Registered Auditors


.....

Lion House
Red Lion Street
London
WC1R 4GB

BELL THEATRE SERVICES LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2002**

	Notes	2002 £	2001 £
Turnover	2	3,364,283	4,886,680
Cost of sales		(2,114,671)	(3,563,504)
Gross profit		1,249,612	1,323,176
Administrative expenses		(1,352,427)	(928,319)
Operating (loss)/profit	3	(102,815)	394,857
Other interest receivable and similar income		70,901	70,498
Interest payable and similar charges	4	(1,089)	(45,296)
(Loss)/profit on ordinary activities before taxation		(33,003)	420,059
Tax on (loss)/profit on ordinary activities	5	(20,147)	(130,562)
(Loss)/profit on ordinary activities after taxation	13	(53,150)	289,497

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.

The notes on pages 9 to 16 form part of these financial statements.

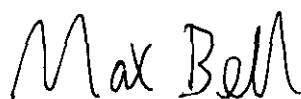
BELL THEATRE SERVICES LIMITED**BALANCE SHEET
AS AT 31 MARCH 2002**

	Notes	2002 £	£	2001 £	£
Fixed assets					
Tangible assets	6 and 7		258,556		194,103
Current assets					
Stocks	8	688,062		421,896	
Debtors: amounts falling due within one year	9	1,207,232		1,332,165	
Debtors: amounts falling due after more than one year	9	68,172		60,000	
Cash at bank and in hand		523,414		619,830	
		<u>2,486,880</u>		<u>2,433,891</u>	
Creditors: amounts falling due within one year	10	<u>(975,425)</u>		<u>(804,833)</u>	
Net current assets			<u>1,511,455</u>		<u>1,629,058</u>
Total assets less current liabilities			<u><u>1,770,011</u></u>		<u><u>1,823,161</u></u>
Capital and reserves					
Called up share capital	12		2		2
Profit and loss account	13		<u>1,770,009</u>		<u>1,823,159</u>
Shareholders' funds - equity interests	14		<u><u>1,770,011</u></u>		<u><u>1,823,161</u></u>

The notes on pages 9 to 16 form part of these financial statements.

The financial statements were approved by the Board on 27 February 2004

C M Bell
Director



BELL THEATRE SERVICES LIMITED**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2002**

	2002 £	2001 £
Net cash inflow/(outflow) from operating activities	354,038	(473,989)
Returns on investments and servicing of finance		
Interest received	20,901	39,928
Interest paid	-	(247)
	<u>20,901</u>	<u>39,681</u>
Net cash inflow for returns on investments and servicing of finance	20,901	39,681
Taxation	(160,700)	(32,451)
Capital expenditure		
Payments to acquire tangible assets	(243,595)	(72,688)
Receipts from sales of tangible assets	14,245	8,000
	<u>(229,350)</u>	<u>(64,688)</u>
Net cash outflow for capital expenditure	(229,350)	(64,688)
	<u>(15,111)</u>	<u>(531,447)</u>
Net cash outflow before management of liquid resources and financing	(15,111)	(531,447)
	<u>(15,111)</u>	<u>(531,447)</u>
Decrease in cash in the year	<u>(15,111)</u>	<u>(531,447)</u>

BELL THEATRE SERVICES LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2002**

1	Reconciliation of operating (loss)/profit to net cash inflow/(outflow) from operating activities	2002		2001	
		£		£	
	Operating (loss)/profit	(102,815)		394,857	
	Depreciation of tangible assets	175,503		77,241	
	(Profit)/loss on disposal of tangible assets	(10,606)		2,205	
	(Increase)/decrease in stocks	(266,166)		82,903	
	Decrease/(increase) in debtors	174,996		(1,018,107)	
	Increase in creditors within one year	383,126		(13,088)	
	Net cash inflow/(outflow) from operating activities	354,038		(473,989)	
2	Analysis of net funds	1 April 2001	Cash flow	Other non-cash changes	31 March 2002
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	619,830	(96,416)	-	523,414
	Bank overdrafts	(96,020)	81,305	-	(14,715)
		<u>523,810</u>	<u>(15,111)</u>	<u>-</u>	<u>508,699</u>
	Net funds	<u>523,810</u>	<u>(15,111)</u>	<u>-</u>	<u>508,699</u>
3	Reconciliation of net cash flow to movement in net funds	2002		2001	
		£		£	
	Decrease in cash in the year	(15,111)		(531,447)	
	Cash (inflow)/outflow from (increase)/decrease in debt	-		73,397	
	Movement in net funds in the year	(15,111)		(458,050)	
	Opening net funds	523,810		981,860	
	Closing net funds	508,699		523,810	

BELL THEATRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

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 Tangible fixed assets and depreciation

Tangible fixed assets include investment properties valued by the directors on an existing use open market value basis. Other tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	
Plant and machinery	over 2 to 3 years
Fixtures, fittings & equipment	over 4 years
Motor vehicles	over 4 years

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

1.6 Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

1.7 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and are accounted for in accordance with FRS 17.

BELL THEATRE SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2002****1 Accounting policies****(continued)****1.8 Deferred taxation**

Deferred taxation is provided at appropriate rates on all timing differences under the full provision method as set out in FRS 19.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating (loss)/profit

	2002	2001
	£	£
Operating (loss)/profit is stated after charging:		
Depreciation of tangible assets	175,503	77,241
Loss on disposal of tangible assets	-	2,205
Operating lease rentals	90,900	33,178
Auditors' remuneration	11,000	8,000
and after crediting:		
Profit on disposal of tangible assets	(10,606)	-

4 Interest payable

	2002	2001
	£	£
On bank loans and overdrafts	-	247
On overdue tax	1,089	45,049
	<u>1,089</u>	<u>45,296</u>

BELL THEATRE SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2002**

5	Taxation	2002	2001
		£	£
	Domestic current year tax		
	U.K. corporation tax	11,492	144,224
	Adjustment for prior years	8,655	(13,662)
		<u> </u>	<u> </u>
	Current tax charge	20,147	130,562
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before taxation	(33,003)	420,059
		<u> </u>	<u> </u>
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00 % (2001 : 30.00 %)	(9,901)	126,018
		<u> </u>	<u> </u>
	Effects of:		
	Non deductible expenses	8,710	17,597
	Depreciation	52,651	23,172
	Capital allowances	(37,790)	(20,011)
	Chargeable disposals	(3,182)	662
	Other tax adjustments	9,659	(16,876)
		<u> </u>	<u> </u>
		30,048	4,544
		<u> </u>	<u> </u>
	Current tax charge	20,147	130,562
		<u> </u>	<u> </u>

BELL THEATRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2002

6 Tangible fixed assets

	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2001	-	174,098	96,650	164,070	434,818
Additions	27,222	113,661	55,002	47,710	243,595
Disposals	-	-	-	(44,945)	(44,945)
At 31 March 2002	27,222	287,759	151,652	166,835	633,468
Depreciation					
At 1 April 2001	-	161,340	62,058	92,317	315,715
On disposals	-	-	-	(41,306)	(41,306)
Charge for the year	4,950	42,316	21,437	31,800	100,503
At 31 March 2002	4,950	203,656	83,495	82,811	374,912
Net book value					
At 31 March 2002	22,272	84,103	68,157	84,024	258,556
At 31 March 2001	-	12,758	34,592	71,753	119,103

7 Tangible fixed assets

	Investment properties £
Cost	
At 1 April 2001 & at 31 March 2002	75,000
Provision for diminution in value	
At 1 April 2001	-
Charge for the year	75,000
At 31 March 2002	75,000
Net book value	
At 31 March 2002	-
At 31 March 2001	75,000

BELL THEATRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2002

8	Stocks and work in progress	2002	2001
		£	£
	Work in progress	47,250	2,754
	Finished goods and goods for resale	640,812	419,142
		<u>688,062</u>	<u>421,896</u>
9	Debtors	2002	2001
		£	£
	Trade debtors	436,397	630,847
	Corporation tax	8,235	-
	Other debtors	816,797	749,155
	Prepayments and accrued income	13,975	12,163
		<u>1,275,404</u>	<u>1,392,165</u>
	Amounts falling due after more than one year and included in the debtors above are:		
		2002	2001
		£	£
	Other debtors	<u>68,172</u>	<u>60,000</u>
10	Creditors: amounts falling due within one year	2002	2001
		£	£
	Bank loans and overdrafts	14,715	96,020
	Payments received on account	200,058	-
	Trade creditors	229,378	349,010
	Corporation tax	-	132,318
	Other taxes and social security costs	223,384	189,300
	Directors' current accounts	-	610
	Accruals and deferred income	307,890	37,575
		<u>975,425</u>	<u>804,833</u>

BELL THEATRE SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2002****11 Pension costs****Defined contribution**

	2002	2001
	£	£
Contributions payable by the company for the year	<u>22,500</u>	<u>72,000</u>

12 Share capital

	2002	2001
	£	£
Authorised		
1,000 Ordinary shares of £ 1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
2 Ordinary shares of £ 1 each	<u>2</u>	<u>2</u>

13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2001	1,823,159
Retained loss for the year	<u>(53,150)</u>
Balance at 31 March 2002	<u>1,770,009</u>

14 Reconciliation of movements in shareholders' funds

	2002	2001
	£	£
(Loss)/profit for the financial year	(53,150)	289,497
Opening shareholders' funds	<u>1,823,161</u>	<u>1,533,664</u>
Closing shareholders' funds	<u>1,770,011</u>	<u>1,823,161</u>

BELL THEATRE SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2002****15 Financial commitments**

At 31 March 2002 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2002	2001
	£	£
Expiry date:		
Between two and five years	100,000	100,000

16 Directors' emoluments

	2002	2001
	£	£
Emoluments for qualifying services	229,050	102,837
Company pension contributions to money purchase schemes	15,000	15,000
	<u>244,050</u>	<u>117,837</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2001 - 1).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	229,050	102,837
Company pension contributions to money purchase schemes	15,000	15,000

S M Mitchell did not receive any emoluments in the year. C M Bell was the highest paid director and was the only director to accrue benefits under a money purchase pension scheme.

17 Transactions with directors

The following directors had interest free loans during the year. The movement on these loans are as follows:

	Amount outstanding		Maximum
	2002	2001	in year
	£	£	£
Director's current account (debit bal)	11,392	-	12,237

BELL THEATRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2002

18 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

2002 Number	2001 Number
14	12

Employment costs

	£	£
Wages and salaries	645,698	476,333
Social security costs	75,064	56,693
Other pension costs	22,500	72,000
	<u>743,262</u>	<u>605,026</u>

19 Control

The company is controlled by C M Bell.

20 Related party transactions

Included in trade debtors are amounts owed to the company of £9,059 (2001: £57,974) from cinemas in which C M Bell has an interest. These transactions were carried out at on an arms length basis with normal trading terms and conditions. In the directors opinion, these debts are recoverable.

The company's investment property represents the potential proceeds of sale of a one third equitable interest in a long leasehold property at 3/4 St Saviour's Wharf, Mill Street, London. At the time of the investment, the legal title of the property was held by S M Mitchell and Co, a partnership in which S M Mitchell was a partner. In the opinion of the directors the investment in the potential proceeds of sale is not quantifiable.

In 2001 a loan of £657,249 was made to Search 4 Space Limited and is included in the balance sheet under other debtors. S M Mitchell and C M Bell are both directors of this company holding 15% and 85% of the share capital respectively. The loan is repayable on demand and interest is to be charged at Libor plus 2%. In the year, interest receivable of £76,330 (2001: £26,331) has been accrued. Search 4 Space own the premises occupied by Bell Theatre Services Limited. Market rent of £100,000 per annum is being paid.

In 2001 a loan of £60,000 has been made to European Care Limited and is included in the balance sheet under other debtors. The loan is repayable within 5 years and interest is charged at Libor plus 2%. Interest receivable of £6,605 (2001: £4,240) has been accrued in these accounts. S M Mitchell is a director of European Care Limited.