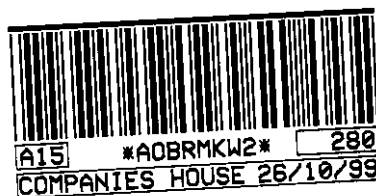




Company Registration No. 2279781 (England and Wales)

EGRIPMENT UK LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1998





EGRIPMENT UK LIMITED

COMPANY INFORMATION

Director	C A Tresfon
Secretary	R E Ford
Company number	2279781
Registered office	Shepperton Film Studios Studios Road Shepperton Middlesex TW17 0QD
Auditors	Greenback Alan 11 Raven Wharf Lafone Street Butlers Wharf London SE1 2LR
Bankers	Lloyds Bank Plc 1 Walm Lane Willesden Green London NW2 5SN ABN AMRO Bank 101 Moorgate London EC2M 6SB



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EGRIPMENT UK LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 1998

The director presents his report and financial statements for the year ended 31 December 1998.

Principal activities

The principal activity of the company continued to be that of development, manufacture and sale of film and television equipment.

Director

The following director has held office since 1 January 1998:

C A Tresfon

Year 2000

We are in the process of assessing the risks to the business in detail. We are considering not only our own systems but also those of our major suppliers and customers. Once our assessment is complete we will develop detailed plans to deal with any such risks as are identified.

Director's interests

The director's beneficial interest in the shares of the company was as stated below:

	Ordinary Shares of £1 each	
	31 December 1998	1 January 1998
C A Tresfon	-	150

Auditors

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

Director's responsibilities

Company law requires the director 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 director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

This 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

C A Tresfon
Director
30 July 1999



EGRIPMENT UK LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF EGRIPMENT UK LIMITED

We have audited the financial statements on pages 3 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of the director and auditors

As described on page 1 the company's director is 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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.

Greenback Alan

30 July 1999

Chartered Accountants
Registered Auditor

11 Raven Wharf
Lafone Street
Butlers Wharf
London
SE1 2LR



EGRIPMENT UK LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1998

		1998	1997
	Notes	£	£
Turnover		683,547	420,040
Cost of sales		(368,680)	(135,925)
Gross profit		314,867	284,115
Distribution costs		(12,079)	(8,501)
Administrative expenses		(183,851)	(203,015)
Operating profit	2	118,937	72,599
Other interest receivable and similar income	3	1,035	524
Interest payable and similar charges		(1,914)	(6,053)
Profit on ordinary activities before taxation		118,058	67,070
Tax on profit on ordinary activities	4	(33,471)	(16,686)
Profit on ordinary activities after taxation	10	84,587	50,384

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.



EGRIPMENT UK LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1998

	Notes	1998 £	£	1997 £	£
Fixed assets					
Tangible assets	5		20,928		24,044
Current assets					
Stocks		107,138		78,361	
Debtors	6	184,819		149,588	
Cash at bank and in hand		30,702		24,519	
		<u>322,659</u>		<u>252,468</u>	
Creditors: amounts falling due within one year	7	<u>(128,228)</u>		<u>(145,740)</u>	
Net current assets			194,431		106,728
Total assets less current liabilities			<u>215,359</u>		<u>130,772</u>
Capital and reserves					
Called up share capital	9		300		300
Profit and loss account	10		215,059		130,472
Shareholders' funds - equity interests	11		<u>215,359</u>		<u>130,772</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 on 30 July 1999

C A Tresfon
Director



EGRIPMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1998

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

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 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:

Plant and machinery	15% per annum (reducing balance)
Fixtures, fittings & equipment	25% per annum (reducing balance)
Motor vehicle	25% per annum (reducing balance)

1.4 Leasing

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

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.7 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.8 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	1998	1997
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	5,860	6,907
Operating lease rentals	17,267	16,324
Auditors' remuneration	7,000	7,000
	<u> </u>	<u> </u>



EGRIPMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1998

3	Other interest receivable and similar income	1998	1997
		£	£
	Bank interest	1,035	524
		<u> </u>	<u> </u>
4	Taxation	1998	1997
		£	£
	U.K. current year taxation		
	U.K. corporation tax at 31% (1997 - 31%)	33,471	16,686
		<u> </u>	<u> </u>
5	Tangible fixed assets		
			Plant and machinery etc £
	Cost		
	At 1 January 1998		50,872
	Additions		2,744
			<u> </u>
	At 31 December 1998		53,616
			<u> </u>
	Depreciation		
	At 1 January 1998		26,828
	Charge for the year		5,860
			<u> </u>
	At 31 December 1998		32,688
			<u> </u>
	Net book value		
	At 31 December 1998		20,928
			<u> </u>
	At 31 December 1997		24,044
			<u> </u>
6	Debtors	1998	1997
		£	£
	Trade debtors	33,119	17,844
	Amounts owed by group undertakings and undertakings in which the company has a participating interest	142,544	123,448
	Other debtors	9,156	8,296
		<u> </u>	<u> </u>
		184,819	149,588
		<u> </u>	<u> </u>



EGRIPMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1998

7 Creditors: amounts falling due within one year	1998	1997
	£	£
Bank loans and overdrafts	-	33,333
Trade creditors	82,498	82,432
Taxation and social security	36,876	21,192
Other creditors	8,854	8,783
	<u>128,228</u>	<u>145,740</u>

The aggregate amount of creditors for which security has been given amounted to £- (1997 - £33,333).

8 Pension costs

The company contributes to defined contribution pension schemes. The pension cost charge represents contributions paid by the company in the year and amounted to £6,152 (1997 - £6,784).

No contributions have been accrued (1997: £514) and there were no prepaid contributions at the balance sheet date.

9 Share capital	1998	1997
	£	£
Authorised		
1,000 Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
300 Ordinary Shares of £1 each	<u>300</u>	<u>300</u>

10 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 1998	130,472
Retained profit for the year	<u>84,587</u>
Balance at 31 December 1998	<u>215,059</u>



EGRIPMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1998

11 Reconciliation of movements in shareholders' funds	1998 £	1997 £
Profit for the financial year	84,587	50,384
Opening shareholders' funds	130,772	80,388
Closing shareholders' funds	<u>215,359</u>	<u>130,772</u>

12 Financial commitments

At 31 December 1998 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	1998 £	1997 £
Expiry date:		
Between two and five years	<u>17,505</u>	<u>16,995</u>

13 Control

The company was controlled up to 26 November 1998 by Mr C A Tresfon, the Director of the company, by virtue of him controlling the company's parent undertaking.

On 26 November 1998 control passed to the company's parent undertaking by virtue of it acquiring all of the company's ordinary share capital.

The ultimate controlling party continues to be Mr C A Tresfon.

The company's parent undertaking is Beheer en Beleggingsmaatschappij Tresfon B.V., a company registered in Holland.

Copies of the parent undertaking's consolidated financial statements may be obtained from Machineweg 22, 1394 AV Nederhorst den Berg, Holland.