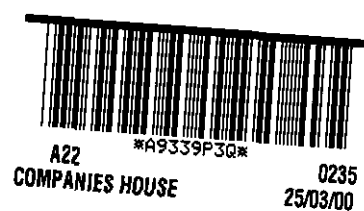


ARROW FILM DISTRIBUTORS LIMITED
ABBREVIATED FINANCIAL STATEMENTS

31ST MARCH 1999

Registered number: 2584648

REDFORD & CO.
CHARTERED ACCOUNTANTS
41/42 BERNERS STREET
LONDON W1P 3AA



ARROW FILM DISTRIBUTORS LIMITED
ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31st March 1999

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ARROW FILM DISTRIBUTORS LIMITED

Auditors' report to
Arrow Film Distributors Limited
under section 247B of the Companies Act 1985

We have examined the abbreviated financial statements set out on pages 2 to 4, together with the financial statements of the company for the year ended 31st March 1999 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

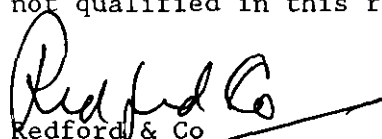
In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages 2 to 4 are properly prepared in accordance with those provisions.

Other information

On ~~24 March 2000~~, we reported as auditors to the members of the company on the financial statements prepared under section 226 of the Companies Act 1985 and our report included the following paragraph :

Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in Note 15 of the financial statements concerning the company's ability to continue as going concern. In view of the significance of this uncertainty we consider that it should be drawn to your attention, but our opinion is not qualified in this respect.



Redford & Co
Registered Auditors
Chartered Accountants
41/42 Berners Street
London W1P 3AA

Date: ~~24 March 2000~~

ARROW FILM DISTRIBUTORS LIMITED

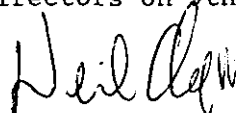
ABBREVIATED BALANCE SHEET

at 31st March 1999

	Note	£	1999	£	1998	£
Fixed assets						
Tangible assets	2		2,172		2,338	
Current assets						
Stocks		22,750		97,946		
Debtors	3	55,281		47,930		
Cash at bank and in hand		161,138		67,289		
			239,169		213,165	
Creditors: amounts falling due within one year		(185,501)		(161,933)		
Net current assets			53,668		51,232	
Total assets less current liabilities			55,840		53,570	
Creditors: amounts falling due after more than one year			(139,751)		(139,751)	
			(83,911)		(86,181)	
Capital and reserves						
Called up share capital	4		100		100	
Profit and loss account			(84,011)		(86,281)	
Total shareholders' funds			(83,911)		(86,181)	

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The abbreviated financial statements on pages 2 to 4 were approved by the board of directors on 9th March 2000 and signed on its behalf by:


N N Agran
Chairman

ARROW FILM DISTRIBUTORS LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st March 1999

1 Accounting policies**Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Plant and machinery	-	20% p.a. Reducing Balance Basis.
Fixtures and fittings	-	20% p.a. Reducing Balance Basis.

Cost of sales and prepaid film costs

The direct costs relating to a film are matched on an accrual basis to the income received from that film and any costs incurred relating to a film not released at the year end are carried forward to be matched against future income arising from that film.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Foreign currencies

Transactions expressed in foreign currencies are translated into sterling and recorded at rates of exchange approximating to those ruling at the date of the transaction. Monetary assets and liabilities are translated at rates ruling at the balance sheet date.

ARROW FILM DISTRIBUTORS LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st March 1999

2 Fixed assets

	Tangible fixed assets
Cost	£
1st April 1998	6,894
Additions	378
31st March 1999	<u>7,272</u>
Depreciation	
1st April 1998	4,556
Charge for the year	544
31st March 1999	<u>5,100</u>
Net book amount	
31st March 1999	<u><u>2,172</u></u>
1st April 1998	<u><u>2,338</u></u>

3 Debtors

	1999 £	1998 £
Amounts falling due after more than one year		
Loan account - Oracle Home Entertainment Limited	<u>10,000</u>	<u>10,000</u>

4 Called up share capital

	1999		1998	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Allotted called up and fully paid				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

5 Going concern

The financial statements have been prepared on a going concern basis. The directors have considered funding requirements and the available banking facilities and ability to meet known liabilities. After making enquiries about these items, the directors have a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the accounts.