

AUDITORS REPORT

To the Directors of MOVIEBOX (BIRMINGHAM) LIMITED Pursuant to  
Paragraph 24 Of Schedule 8 To The Companies Act 1985, As Amended.

We have examined the modified accounts on pages 1 and 2 together with  
the full financial statements of the company. The scope of our work  
for the purpose of this report was limited to confirming the opinion  
set out in the following paragraph.

In our opinion, the Directors are entitled under Section 246 and 247 of  
the Companies Act 1985, to the exemptions conferred in Section A of  
Part III of Schedule 8 to that Act in respect of Period ended  
31st October 1998 and the modified accounts have been properly  
prepared in accordance with that schedule.

Today we have reported to the members on the full statutory accounts  
of the company prepared under Section 226 of the Companies Act 1985  
for the Period ended 31st October 1998. our report under Section 235 of  
the Companies Act 1985 was as follows:

.....

We have audited the financial statements on page 3 to 5.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

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

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REPORT OF THE AUDITORS TO THE MEMBERS OFMOVIEBOX (BIRMINGHAM) LIMITED**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**

The financial statements have been prepared on a going concern basis which assumes that the existing and any future support facilities will be made available.

Subject to the above, in our opinion the financial statements give a true and fair view of the state of affairs of the Company at 31st October 1998 and of the Profit of the Company for the Period then ended and have been properly prepared in accordance with the Companies Act 1985.

G.R. 26

GOLD RAYMOND & COMPANY  
Registered Auditors  
Chartered Accountants

Date... 6-3-2000 .....

MOVIEBOX (BIRMINGHAM) LIMITEDBALANCE SHEETAS AT 31ST OCTOBER 1998

	<u>1998</u>
	£                      £
<b>FIXED ASSETS</b>	
Tangible Assets	19,694
<b>CURRENT ASSETS</b>	
Stock	38,148
Debtors	112,429
Cash at Bank and in Hand	19,644
	<hr/> 170,221
<b>CREDITORS : amounts falling due within one year</b>	<hr/> 174,648
<b>NET CURRENT LIABILITIES</b>	(4,427)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<hr/> <hr/> £ 15,267
<b>CAPITAL AND RESERVES</b>	
Share Capital	100
Profit and Loss Account	15,167
	<hr/> <hr/> £ 15,267

In preparing these modified accounts advantage has been taken of the exemption conferred by Section A of part III of Schedule 8 on the ground that in the Directors' opinion the company is entitled to the benefit of these exemption as a small company under the provision of section 246 and 247 of the Act.

Signed on behalf of the  
board of directors

  
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S AHMED  
Director

Approved by the board: Date..... 3-3-2000 .....

**MOVIEBOX (BIRMINGHAM) LIMITED****NOTES TO ACCOUNTS**  
**FOR THE PERIOD ENDED 31ST OCTOBER 1998****1. ACCOUNTING POLICIES****Basis of Accounting**

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost accounting convention, modified to incorporate the revaluation of certain fixed assets.

**Turnover**

Turnover represents the net invoiced sales of goods, excluding VAT.

**Tangible Fixed Assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Motor Vehicles	25% (Reducing balance)
Fixtures and Fittings & Equipments	15% (Reducing Balance)

**Stocks and Work in Progress**

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

**Deferred Taxation**

Provision is made at appropriate rates for taxation deferred in respect of all material timing differences only to the extent that, in the opinion of the directors, there is reasonable probability that a liability or asset will crystallise in the foreseeable future.

**Pensions**

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

**Cash Flow Statement**


- \* The company has taken advantage of the exemption provided by Financial Reporting Standard 1 and has not prepared a Cash Flow Statement for the Period.

MOVIEBOX (BIRMINGHAM) LIMITEDSTATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial year which gives 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 apply them consistently.
- \* make judgements and estimates that are reasonable and prudent.
- \* state whether applicable accounting standards have been followed, 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.

  
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By order of the Board

Date...3/3/2000