

384725

HOME ENTERTAINMENT LIMITED
REPORT AND FINANCIAL STATEMENTS
For the year ended
31 December 2004



HOME ENTERTAINMENT LIMITED

Report and financial statements for the year ended 31 December 2004

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Directors

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Directors

E Edwards
P Urie (appointed 19 August 2005)

Secretary and registered office

E Edwards, 33 Charlotte Street, London, W1T 1RR.

Company number

3847253

Auditors

Nexia Audit Limited, 25 Moorgate, London EC2R 6AY.

HOME ENTERTAINMENT LIMITED

Report of the directors for the year ended 31 December 2004

The directors present their report together with the audited financial statements for the year ended 31 December 2004.

Results and dividends

The profit and loss account is set out on page 5 and shows the result for the year.

The directors do not recommend the payment of a dividend.

Principal activities, trading review and future developments

The company did not trade during the year.

Directors

The directors of the company during the period were:

E Edwards (New)
A Keyte (Resigned 19 August 2005)
P Urie (Appointed 19 August 2005)

The current directors are directors of the parent company, Metrodome Group plc. Their interest in the share capital of Metrodome Group plc are shown in the accounts of that company. They have no interest in the share capital of Home Entertainment Limited.

HOME ENTERTAINMENT LIMITED

Report of the directors for the year ended 31 December 2004 (*Continued*)

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period 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; and
- 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.

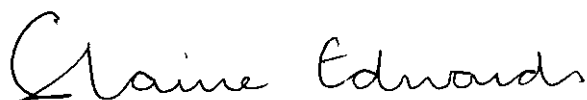
Auditors

A resolution to re-appoint Nexia Audit Limited will be proposed at the next Annual General Meeting.

On behalf of the Board

E Edwards

Secretary



Nexia Audit

— · Limited · —

Independent auditors' report to the shareholders of Home Entertainment Limited

We have audited the accounts of Home Entertainment Limited for the year ended 31 December 2004 which comprise the profit and loss account, balance sheet and related notes 1 to 18. These accounts have been prepared under the historical cost convention and the accounting policies set out therein.

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 auditors' 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.

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 accounts in accordance with applicable law and United Kingdom Accounting Standards.

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

We report to you our opinion as to whether the accounts 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 accounts, 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 the 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 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Nexia Audit Limited

Nexia Audit Limited
Chartered Accountants
Registered Auditors

25 Moorgate
London
EC2R 6AY

31.10.05

HOME ENTERTAINMENT LIMITED**Profit and loss account for the year ended 31 December 2004**

	Note	Year Ended 31 December 2004 £	Year Ended 31 December 2003 £
Turnover	2	-	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		-	-
Administrative expenses		-	(119)
- exceptional (loss)/profit	3	-	(2,681)
		<hr/>	<hr/>
Operating (loss)/profit	3	-	(2,800)
Taxation	7	-	-
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before and after taxation	13	-	(2,800)
		<hr/>	<hr/>

All amounts relate to activities that were discontinued in the period.
All recognised gains and losses are included in the profit and loss account.

HOME ENTERTAINMENT LIMITED

Balance sheet at 31 December 2004

	Note	31 December 2004		31 December 2003	
		£	£	£	£
Tangible assets					
Tangible fixed assets	8	-	-	-	-
		<hr/>	-	<hr/>	-
Current assets					
Debtors	10	-	-	-	-
Cash at bank		-	-	-	-
		<hr/>	-	<hr/>	-
Creditors: amounts falling due within one year	11		(271)		(271)
			<hr/>		<hr/>
Net current (liabilities)/assets			(271)		(271)
			<hr/>		<hr/>
Net (liabilities)/assets			(271)		(271)
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	12		100		100
Profit and loss account	13		(371)		(371)
			<hr/>		<hr/>
Equity shareholders' (deficit)/funds	14		(271)		(271)
			<hr/>		<hr/>

The financial statements were approved by the Board on 31 October 2005.

E Edwards
Director

Clair Edwards

HOME ENTERTAINMENT LIMITED

Notes forming part of the financial statements for the year ended 31 December 2004

1 Accounting policies

Basis of preparation

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

The accounts have been prepared on the going concern basis, the validity of which depends upon the continued support of Metrodome Group plc, the immediate parent company. At 31 December 2004, the group had net assets of £2,420,187.

Turnover

Turnover represents the amount receivable for goods and services supplied during the period (excluding value added tax) and is derived from ordinary activities.

Depreciation

Depreciation is provided on a straight line basis at the following annual rate in order to write-off the cost of each asset to its estimated residual value over its estimated useful life as follows:

Long leasehold	-	over period of the lease
Fixtures and fittings	-	12.5% straight line per annum.
Computer Equipment	-	33.3% straight line per annum
Motor Vehicles	-	25.0% straight line per annum

Foreign currencies

Assets and liabilities in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. All exchange differences are charged to the profit and loss account.

Royalties and advance costs

Royalty advances are written off over the period in which they would otherwise fall due for payment.

Provision is made for royalties payable on all sales during the period, adjusted for royalties on anticipated returns. Credit is taken for royalties received at the date of receipt.

HOME ENTERTAINMENT LIMITED

Notes forming part of the financial statements for the year ended 31 December 2004 (*Continued*)

1 Accounting policies (continued)

Operating leases

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

Deferred taxation

Deferred tax is provided for on a full provision basis on all timing differences, which have arisen but not reversed at the balance sheet date. No timing differences are recognised in respect of gains on sale of assets where those gains have been rolled over into replacement assets. Deferred tax assets are recognised to the extent that they are recoverable, that is, on the basis of all available evidence, it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is calculated on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2 Turnover

The turnover and loss before tax are attributable to the principal activity of the company. All turnover is derived from the UK and to UK destinations.

3 Operating (loss)/profit

Year ended 31 December 2004	Nine months ended 31 December 2003
--------------------------------------	--

£

£

The operating (loss)/profit is stated after charging:

Depreciation

-

-

Amortisation

-

-

Auditors remuneration

-

-

£

£

Exceptional items represent:

Write back of intercompany creditors

-

(2,681)

HOME ENTERTAINMENT LIMITED

Notes forming part of the financial statements for the year ended 31 December 2004 (*Continued*)

4	Interest receivable	31	31
		December 2004 £	December 2003 £
	On bank balances	-	-
		<hr/>	<hr/>
5	Employees	£	£
	Staff costs (including directors) were as follows:		
	Wages and salaries	-	-
	Social security costs	-	-
		<hr/>	<hr/>
		-	-
		<hr/>	<hr/>
	The average number of employees (including directors) during the period was as follows:	Number	Number
	Sales & Distribution	-	-
	Administration	-	-
		<hr/>	<hr/>
		-	-
		<hr/>	<hr/>

HOME ENTERTAINMENT LIMITED

Notes forming part of the financial statements for the year ended 31 December 2004 (Continued)

	31 December 2004 £	31 December 2003 £
6 Directors' emoluments		
The emoluments of the directors (excluding pensions) were as follows:		
Emoluments receivable	-	-
7 Tax on loss on ordinary activities	£	£
<i>Current tax</i>		
UK corporation tax at 30%	-	-

A deferred tax asset of approximately £ Nil exists at 31 December 2004 (31 December 2003: £279,747) but this has not been recognised in the accounts. This principally relates to trading losses that may be recovered against future profits of the same trade.

Factors affecting tax charge for year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (30%).

The differences are explained below:

	£	£
(Loss)/profit on ordinary activities before tax	-	(2,800)
(Loss)/profit on ordinary activities multiplied by corporation tax in the UK of 30% (31 December 2003: 30%)	-	(840)
Effects of:		
Expenses not deductible for tax purposes	-	192
Depreciation in excess of capital allowances	-	-
Unrelieved tax losses carried forward	-	-
Tax losses utilised in year	-	648
Total actual amount of current tax	-	-

HOME ENTERTAINMENT LIMITED

Notes forming part of the financial statements for the year ended 31 December 2004 (*Continued*)

8	Tangible fixed assets	Long Leasehold	Motor Vehicles	Fixtures And Fittings	Total
		£	£	£	£
	<i>Cost</i>				
	As at 31 December 2003	1,496	10,836	165,362	177,694
	Additions in the period	-	-	-	-
	At 31 December 2004	1,496	10,836	165,362	177,694
	<i>Depreciation</i>				
	As at 31 December 2003	1,496	10,836	165,248	177,694
	Charge for the period	-	-	-	-
	At 31 December 2004	1,496	10,836	165,248	177,694
	<i>Net book value</i>				
	At 31 December 2004	-	-	-	-
	At 31 December 2003	-	-	-	-

HOME ENTERTAINMENT LIMITED**Notes forming part of the financial statements for the year ended 31 December 2004 (Continued)**

9	Stock	31	31
		December 2004 £	December 2003 £
	Finished goods	-	-
		-	-
10 Debtors		£	£
	Trade debtors	-	-
	Other debtors	-	-
		-	-
11 Creditors: amounts falling due within one year		£	£
	Amounts owed to parent company	-	-
	Amounts owed to fellow subsidiary undertakings	-	-
	Taxation and social security costs	271	271
	Accruals and deferred income	-	-
		271	271

HOME ENTERTAINMENT LIMITED

Notes forming part of the financial statements for the year ended 31 December 2004 (*Continued*)

12	Share capital	31	31
		December 2004 £	December 2003 £
	<i>Authorised</i>		
	Ordinary £1 shares	100	100
		<hr/>	<hr/>
	<i>Allotted, issued</i>		
	Ordinary £1 shares	100	100
		<hr/>	<hr/>
100 £1 Ordinary Shares were issued at par on the incorporation of the company. The entire shares issued remain unpaid at the year-end.			
13	Reserves	Profit And loss Account £	
	Reserves as at 31 December 2003		(371)
	Loss for the financial period		-
			<hr/>
	At 31 December 2004		(371)
			<hr/>
14	Reconciliation of movements in shareholders' funds	31	31
		December 2004 £	December 2003 £
	(Loss)/profit for the year	-	(2,800)
	Brought Forward Shareholders deficit	(271)	2,529
		<hr/>	<hr/>
	Closing shareholders' funds	(271)	(271)
		<hr/>	<hr/>

15 Cash flow statement

The company has taken advantage of the exemption under Financial Reporting Standard 1 not to produce a cash flow statement. A consolidated cash flow statement is included in the financial statements of its parent company.

HOME ENTERTAINMENT LIMITED

Notes forming part of the financial statements for the year ended 31 December 2004 (*Continued*)

16 Related party transactions

The company has taken advantage of the exemption allowed under Financial Reporting Standard 8 not to disclose any transactions with group entities as its parent company prepares group financial statements.

17 Contingent liabilities

The company has provided cross guarantees with certain other group companies in respect of bank loan and overdraft arrangements which at 31 December 2004 amounted to £47,530 (31 December 2003: £672,844).

18 Ultimate parent company

At 31 December 2004, the ultimate parent company was TV-Loonland AG, a company incorporated in Germany. TV-Loonland AG is the parent of the largest group for which group accounts are drawn up and of which Home Entertainment Limited is a member. Copies of the accounts can be obtained from TV-Loonland AG, Muncher Strasse 16 D-85774, Muchen-Unterfohring, Germany.

The parent of the smallest group for which group accounts are drawn up is Metrodome Group plc.

Copies of the consolidated financial statements of Metrodome Group plc are available from:

The Secretary
Metrodome Group plc
33 Charlotte Street,
London W1T 1RR