

VIDFILM INTERNATIONAL DIGITAL SUBTITLING LIMITED

REPORT AND FINANCIAL STATEMENTS
PERIOD 8 MAY 2001 TO 31 DECEMBER 2001



COMPANY NUMBER: 4211782

VIDFILM INTERNATIONAL DIGITAL SUBTITLING LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD 8 MAY 2001 TO 31 DECEMBER 2001

CONTENTS

1	Directors' Report
2	Accountants' Report
3	Profit & Loss Account
4 & 5	Balance Sheet
6	Accounting Policies
7	Notes to the Financial Statements

DIRECTORS' REPORT

The directors submit their report and financial statements of Vidfilm International Digital Subtitling Limited for the period ended 31 December 2001.

DIRECTOR'S 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 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.

RESULTS

The trading loss for the period is £(44,850).

PRINCIPAL ACTIVITY

The principle activity during the year was that of subtitling.

SMALL COMPANY EXEMPTIONS

Advantage has been taken in the preparation of this report of special exemptions applicable to small companies.

By Order of the Board



Mr Jonathan Lewis
DIRECTOR

Mr Roger Beck
DIRECTOR

DIRECTORS AND THEIR INTERESTS

The directors of the company who held office at 8 May 2001 had the following interests in the shares of the company:-

	Ordinary Shares Of £1 each 31.12.01
Mr J Lewis	20
Mr H Lambert	20
Mr J Gavin	20

ACCOUNTANTS REPORT TO THE DIRECTORS

We report on the accounts for the period ended 31 December 2001.

Respective Responsibilities of Directors and Accountants

As described on Page 1, the company's directors are responsible for the preparation of the accounts and they consider that the company is exempt from Audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

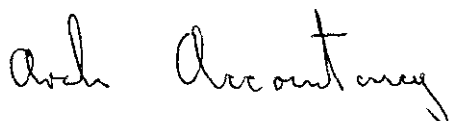
Basis of Opinion

We have prepared the accounts and notes for the period ended 31 December 2001 set out on pages 1 to 7. Our procedure consisted of comparing the accounts with the accounting records of the company, and making such limited enquiries of the officers of the company as we considered necessary for the purpose of this report. These procedures provided only the assurance expressed in our opinion.

Opinion

In our opinion:

- a) the accounts are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985;
- b) having regard only to, and on the basis of, the information contained in those accounting records.
 - i) The accounts have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and
 - ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in Section 249a(1) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1),



ARCH ACCOUNTANCY
THURSTON HOUSE
80 LINCOLN ROAD
PETERBOROUGH
PE1 2SN

Date: 15 - 10 - 02

VIDFILM INTERNATIONAL DIGITAL SUBTITLING LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 8 MAY 2001 TO 31 DECEMBER 2001

Page 3

	2001
	£
TURNOVER	121,247
Cost of Sales	(81,483)

GROSS PROFIT	39,764
Operating Expenses	(82,963)

LOSS BEFORE INTEREST & TAXATION	(43,199)
Interest Payable	(1,651)

OPERATING LOSS	(44,850)
	=====

None of the Company's activities were acquired or discontinued during the above financial year.

The Company has no recognised gains or losses other than those dealt with in the Profit and Loss Account.

The notes on pages 6 – 7 form part of these financial statements

BALANCE SHEET
31 DECEMBER 2001

		2001
FIXED ASSETS		
Tangible fixed assets	52,915	
Goodwill	22,917	

	75,832	75,832
CURRENT ASSETS		
Debtors & Prepayments	100,882	
Bank & Cash	43,807	

	144,689	
CREDITORS		
Amounts falling due		
Within one year	140,105	

NET CURRENT ASSETS		4,584

		£80,416
		=====
CREDITORS		
Amounts falling due		
After one year		
Loan		100,206
CAPITAL AND RESERVES		
Called up Share Capital		25,060
Profit and Loss Account		(44,850)

EQUITY SHAREHOLDERS' FUNDS		£80,416
		=====

The notes on pages 6 to 7 form part of these financial statements.

BALANCE SHEET (continued)
31 DECEMBER 2001

The company was entitled to exemption from audit under Section 249A(1) of the Companies Act 1985.

No notice has been deposited under Section 249B(2) in relation to the company's accounts for the period ended 31 December 2001.

The directors acknowledges their responsibilities for:

- i. ensuring that the company keeps accounting records which comply with Section 221; and
- ii. preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the company.

Advantage has been taken, in the preparation of these financial statements, of special exemptions applicable to small companies on the grounds that the company qualifies as a small company under section 247 of the Companies Act 1985.

Approved by the board on 14th Oct '02



Mr Jonathan Lewis
DIRECTOR



Mr Roger Beck
DIRECTOR

VIDFILM INTERNATIONAL DIGITAL SUBTITLING LIMITED
 DETAILED PROFIT AND LOSS ACCOUNT
 FOR THE PERIOD 8 MAY 2001 TO 30 DECEMBER 2001

Page 8

		2001
TURNOVER		121,247
LESS COST OF SALES		
Purchases	2,558	
Salaries	23,818	
Sub Contractors	55,107	

	81,483	
GROSS PROFIT		39,764
LESS EXPENDITURE		
Rent & Rates	6,272	
Heat & Light	88	
Salaries & NIC	40,490	
Travelling Expenditure	3,365	
Entertainment	1,839	
Printing, Postage, Stationery	1,639	
Telephone	1,532	
Professional Fees	7,800	
Audit & Accountancy Fees	1,260	
Equipment Lease	5,605	
Insurance	474	
Bank Charges	116	
Loan Interest	1,651	
General Expenditure	5,590	
Depreciation	6,893	

	84,614	84,614
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		----- £(44,850) =====

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

TURNOVER

Turnover represents the invoiced amount of goods sold and services provided stated net of value added tax.

TANGIBLE FIXED ASSETS

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and equipment	- 25% per annum on written down value
Furniture & Fixtures	- 25% per annum on written down value
Goodwill	- 25% per annum on written down value

CORPORATION TAX

The Company's corporation tax is based on small companies at 20%. However, the Company traded at a loss for the period therefore no corporation tax is due.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001

1	OPERATING PROFIT/(LOSS)				2001 £(44,850)
2	TANGIBLE FIXED ASSETS	Goodwill	Furniture and Fittings	Plant and Equipment Etc.	TOTAL
	@ Cost	0	0	0	0
	08/05/01				
	Disposals	0	0	0	0
	Additions	25,000	290	57,435	82,725
	31 December 2001	25,000	290	57,435	82,725
	Accumulated Depreciation	0	0	0	0
	Disposal	0	0	0	0
	Charge for Year	2,083	24	4,786	6,893
	Net book value:				
	31 December 2001	£22,917	£ 266	£52,649	£75,832
3	DEBTORS				
	Due within one year:				
	Trade Debtors & Prepayments				£100,822
	Directors Loan Account				£ 60
					£100,882
4	CREDITORS				
	Accounts falling due within one year:				
	Creditors & Accruals				£55,633
	Intercompany Loan Account				£60,201
	Taxation & Social Security				£13,855
	VAT				£10,416
					£140,105
5	SHARE CAPITAL				
	Authorised:				
	151,000 ordinary shares of £1 each				£151,000
	Allotted, called up and fully paid				
	Equity				
	120 ordinary shares of £1 each				£ 120
	60 ordinary shares at a premium of £415.67 each				£ 24,940
					£ 25,060