

COMPANY REGISTRATION NUMBER 4718834

**REFLEX AUDIO VISUAL
LIMITED**

FINANCIAL STATEMENTS

31 DECEMBER 2003



HURST MORRISON THOMSON LLP
Chartered Accountants & Registered Auditors
5 Fairmile
Henley-on-Thames
Oxfordshire
RG9 2JR

REFLEX AUDIO VISUAL LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2003

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REFLEX AUDIO VISUAL LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2003

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 December 2003.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of a holding company.

During the year the company acquired the trade and assets of Reflex Limited and associated dormant companies.

RESULTS AND DIVIDENDS

The trading results for the year, and the group's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	A Ordinary Shares of £1 each	
	At 31 December 2003	At 1 April 2003 or later date of appointment
A Brymer	35,000	—
R Dreesden	5,000	—
W Jepps	5,000	—

A Brymer was appointed as a director on 7 April 2003.

R Dreesden was appointed as a director on 23 April 2003.

W Jepps was appointed as a director on 23 April 2003.

DIRECTORS' 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 group at the end of the year and of the group's profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 10 to 11, and then 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; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

REFLEX AUDIO VISUAL LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2003

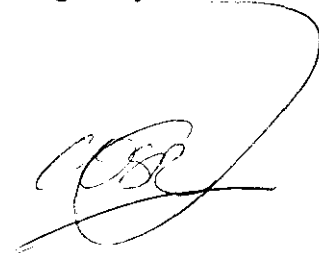
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Hurst Morrison Thomson LLP were appointed to fill a casual vacancy. A resolution to re-appoint Hurst Morrison Thomson LLP as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
1 Bennet Court
Bennet Road
Reading
Berkshire
RG2 0QX

Signed by order of the directors



W Jepps
Company Secretary

Approved by the directors on 15 April 2004

REFLEX AUDIO VISUAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 31 DECEMBER 2003



HURST MORRISON THOMSON

5 Fairmile Henley-on-Thames
Oxfordshire RG9 2JR

telephone: 01491 579866
facsimile: 01491 573397
email: hmt@hmtgroup.co.uk
www.hmtgroup.com

We have audited the financial statements on pages 5 to 19 which have been prepared under the historical cost convention and the accounting policies set out on pages 10 to 11.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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

We report to you our opinion as to whether the financial statements 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 financial statements, 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 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 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.

REFLEX AUDIO VISUAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS *(continued)*

YEAR ENDED 31 DECEMBER 2003

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs and of the group as at 31 December 2003 and of the profit of the group for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



HURST MORRISON THOMSON LLP
Chartered Accountants
& Registered Auditors

5 Fairmile
Henley-on-Thames
Oxfordshire
RG9 2JR

16th April 2004

REFLEX AUDIO VISUAL LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2003

	Note	2003 £
GROUP TURNOVER	2	5,613,541
Cost of sales		3,628,628
GROSS PROFIT		<u>1,984,913</u>
Distribution costs		175,363
Administrative expenses		1,486,860
Other operating income	3	(18,065)
OPERATING PROFIT	4	<u>340,755</u>
Interest receivable		8,316
Interest payable	7	(41,411)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>307,660</u>
Tax on profit on ordinary activities	8	21,822
RETAINED PROFIT FOR THE FINANCIAL YEAR	9	<u><u>285,838</u></u>

All of the activities of the group are classed as acquired.

The group has no recognised gains or losses other than the results for the year as set out above.

The company has taken advantage of section 230 of the Companies Act 1985 not to publish its own Profit and Loss Account.

The notes on pages 10 to 19 form part of these financial statements.

REFLEX AUDIO VISUAL LIMITED

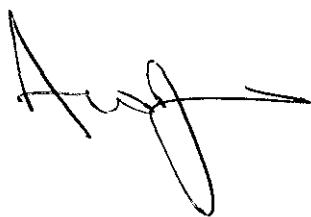
GROUP BALANCE SHEET

31 DECEMBER 2003

	Note	2003 £
FIXED ASSETS		
Intangible assets	10	1,434,131
Tangible assets	11	167,594
		<u>1,601,725</u>
CURRENT ASSETS		
Stocks	13	373,340
Debtors	14	1,120,884
Cash at bank and in hand		83,206
		<u>1,577,430</u>
CREDITORS: Amounts falling due within one year	16	<u>2,260,906</u>
NET CURRENT LIABILITIES		<u>(683,476)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>918,249</u>
CREDITORS: Amounts falling due after more than one year	17	<u>532,411</u>
		<u>385,838</u>
CAPITAL AND RESERVES		
Called-up equity share capital	20	45,000
Share premium account	21	55,000
Profit and loss account	21	285,838
SHAREHOLDERS' FUNDS	22	<u>385,838</u>

These financial statements were approved by the directors on the 15 April 2004 and are signed on their behalf by:

A Brymer
Director



The notes on pages 10 to 19 form part of these financial statements.

REFLEX AUDIO VISUAL LIMITED

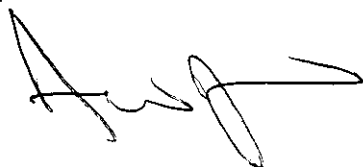
BALANCE SHEET

31 DECEMBER 2003

	Note	2003 £
FIXED ASSETS		
Investments	12	<u>1,923,184</u>
CREDITORS: Amounts falling due within one year	16	<u>1,823,184</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>100,000</u>
CAPITAL AND RESERVES		
Called-up equity share capital	20	45,000
Share premium account	21	<u>55,000</u>
SHAREHOLDERS' FUNDS		<u>100,000</u>

These financial statements were approved by the directors on the 15 April 2004 and are signed on their behalf by:

A Brymer
Director



The notes on pages 10 to 19 form part of these financial statements.

REFLEX AUDIO VISUAL LIMITED

GROUP CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2003

	2003 £
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(73,554)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	
Interest received	8,316
Interest paid	<u>(41,411)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(33,095)
TAXATION	7,336
CAPITAL EXPENDITURE	
Payments to acquire tangible fixed assets	(106,289)
Receipts from sale of fixed assets	<u>9,053</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(97,236)
ACQUISITIONS AND DISPOSALS	
Acquisition of shares in group undertakings	(1,123,184)
Cash acquired on acquisitions	<u>513,385</u>
NET CASH OUTFLOW FROM ACQUISITIONS AND DISPOSALS	(609,799)
CASH OUTFLOW BEFORE FINANCING	(806,348)
FINANCING	
Issue of equity share capital	45,000
Share premium on issue of equity share capital	55,000
New bank loans	900,000
Repayments of bank loan	<u>(110,446)</u>
NET CASH INFLOW FROM FINANCING	889,554
INCREASE IN CASH	<u><u>83,206</u></u>

REFLEX AUDIO VISUAL LIMITED

GROUP CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31 DECEMBER 2003

RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2003 £
Operating profit	340,755
Amortisation	49,625
Depreciation	118,260
Loss on disposal of fixed assets	3,505
Increase in stocks	(67,563)
Decrease in debtors	75,005
Decrease in creditors	(563,141)
Net cash outflow from operating activities	(73,554)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2003 £
Increase in cash in the period	83,206
Net cash (inflow) from bank loans	110,446
New bank loan	(900,000)
	<u>(789,554)</u>
Change in net debt	(706,348)
Net funds at 1 January 2003	—
Net debt at 31 December 2003	<u>(706,348)</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jan 2003 £	Cash flows £	Other changes £	At 31 Dec 2003 £
Net cash:				
Cash in hand and at bank	—	83,206	—	83,206
Debt:				
Debt due within 1 year	—	110,446	(367,589)	(257,143)
Debt due after 1 year	—	—	(532,411)	(532,411)
	—	110,446	(900,000)	<u>(789,554)</u>
Net debt	—	<u>(193,652)</u>	<u>(900,000)</u>	<u>(706,348)</u>

REFLEX AUDIO VISUAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2003

1. ACCOUNTING POLICIES

Basis of accounting

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 230 of the Companies Act 1985.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill	- Over 20 years
----------	-----------------

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Improvements	- 4 years
Demonstration & Service Equipment	- 2 to 4 years
Furniture, Fixtures & Fittings	- 7 years
Office Equipment	- 3 to 7 years

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

REFLEX AUDIO VISUAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2003

1. ACCOUNTING POLICIES *(continued)*

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that 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 measured on an undiscounted 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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the group. An analysis of turnover is given below:

	2003 £
United Kingdom	5,179,988
Overseas	433,553
	<u>5,613,541</u>

REFLEX AUDIO VISUAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2003

3. OTHER OPERATING INCOME

	2003 £
Rent receivable	<u>18,065</u>

4. OPERATING PROFIT

Operating profit is stated after charging:

	2003 £
Directors' emoluments	208,016
Amortisation	49,625
Depreciation of owned fixed assets	118,260
Loss on disposal of fixed assets	3,505
Auditors' remuneration	
- as auditors	8,000
- for other services	18,000
Operating lease costs:	
Land and buildings	86,235
Plant and equipment	5,694
Vehicles	85,740
Net loss on foreign currency translation	<u>239</u>

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to:

	2003 No
Number of administrative staff	23
Number of management staff	3
Number of sales staff	<u>12</u>
	<u>38</u>

The aggregate payroll costs of the above were:

	2003 £
Wages and salaries	743,810
Social security costs	74,701
Other pension costs	10,229
Directors pension costs	9,110
	<u>837,850</u>

REFLEX AUDIO VISUAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2003

6. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2003 £
Emoluments receivable	240,016
Value of company pension contributions to money purchase schemes	9,110
	<u>249,126</u>

Emoluments of highest paid director:

	2003 £
Total emoluments (excluding pension contributions):	131,661
Value of company pension contributions to money purchase schemes	5,900
	<u>137,561</u>

The number of directors who are accruing benefits under company pension schemes was as follows:

	2003 No
Money purchase schemes	<u>3</u>

7. INTEREST PAYABLE

	2003 £
Interest payable on bank borrowing	37,719
Other similar charges payable	3,692
	<u>41,411</u>

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2003 £
Current tax:	
In respect of the year:	
UK Corporation tax based on the results for the year at 30%	107,314
(Over)/under provision in prior year	3,964
Total current tax	111,278
Deferred tax:	
Decrease in deferred tax provision	(89,456)
Tax on profit on ordinary activities	<u>21,822</u>

REFLEX AUDIO VISUAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2003

8. TAX ON PROFIT ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30%.

	2003 £
Profit on ordinary activities before taxation	307,660
Profit/(loss) on ordinary activities by rate of tax	92,298
Expenses not deductible for tax purposes	27,126
Depreciation in excess of capital allowances	58
Other timing differences	8,105
Utilisation of tax losses	(16,309)
Total current tax (note 8(a))	111,278

9. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the accounts of the parent company was £Nil.

10. INTANGIBLE FIXED ASSETS

Group	Goodwill £
COST	
Additions	1,483,756
At 31 December 2003	<u>1,483,756</u>
AMORTISATION	
Charge for the year	49,625
At 31 December 2003	<u>49,625</u>
NET BOOK VALUE	
At 31 December 2003	<u>1,434,631</u>

REFLEX AUDIO VISUAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2003

10. INTANGIBLE FIXED ASSETS *(continued)*

On 22 April 2003 the company acquired certain of the assets, liabilities, trade and business of Claimgrange Limited. This was financed by cash payments as set out below.

Analysis of the acquisition:

	Book Value £	Fair Value £
Tangible fixed assets	192,123	192,123
Stocks	305,777	305,777
Debtors	1,106,433	1,106,433
Cash at bank and in hand	513,385	513,385
Total assets	2,117,718	2,117,718
Creditors due within one year	2,478,290	2,478,290
Creditors due outside one year	-	-
Provisions for liabilities	-	-
Total liabilities	2,478,290	2,478,290
Net liabilities	(360,572)	(360,572)
Cost associated with the acquisition		(118,184)
Goodwill arising on acquisition		1,483,756
		1,005,000
Discharged by:		
Cash		1,005,000

11. TANGIBLE FIXED ASSETS

Group	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Equipment £	Total £
COST					
Additions	35,063	23,015	1,087	47,124	106,289
Disposals	(6,211)	(18,446)	(3,793)	(78,917)	(107,367)
Transfers	1,857	70,909	14,232	105,125	192,123
At 31 December 2003	30,709	75,478	11,526	73,332	191,045
DEPRECIATION					
Charge for the year	3,685	57,632	2,636	54,307	118,260
On disposals	(6,211)	(41,893)	(2,713)	(43,992)	(94,809)
At 31 December 2003	(2,526)	15,739	(77)	10,315	23,451
NET BOOK VALUE					
At 31 December 2003	33,235	59,739	11,603	63,017	167,594

REFLEX AUDIO VISUAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2003

12. INVESTMENTS

Company	Subsidiary undertaking £
COST	
Additions	1,923,184
At 31 December 2003	<u>1,923,184</u>
NET BOOK VALUE	
At 31 December 2003	<u>1,923,184</u>

	Country of Incorporation	Share Holding	Proportion of voting rights and shares held	Nature of Business
Subsidiary undertakings				
Reflex Limited	England	Ordinary shares	100%	Sale, installation, hire and maintenance of business presentation equipment
Claimgrange Limited	England	Ordinary shares	100%	Dormant
Reflex Care Limited	England	Ordinary shares	100%	Dormant
Classroom Displays Limited	England	Ordinary shares	100%	Dormant

Aggregate capital and reserves

Reflex Limited	674,891
Claimgrange Limited	100,000
Reflex Care Limited	2
Classroom Displays limited	1

Profit and (loss) for the year

Reflex Limited	335,463
Claimgrange Limited	—
Reflex Care Limited	—
Classroom Displays Limited	—

REFLEX AUDIO VISUAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2003

13. STOCKS

	Group £	Company £
Finished goods	<u>373,340</u>	<u>—</u>

14. DEBTORS

	Group £	Company £
Trade debtors	873,127	—
Other debtors	46,408	—
Deferred tax (Note 15)	89,456	—
Prepayments and accrued income	111,893	—
	<u>1,120,884</u>	<u>—</u>

15. DEFERRED TAXATION

The movement in the deferred taxation asset during the year was:

	Group £	Company £
Provision for year	89,456	—
Asset carried forward	<u>89,456</u>	<u>—</u>

16. CREDITORS: Amounts falling due within one year

	Group £	Company £
Bank loans and overdrafts	257,143	—
Trade creditors	872,628	—
Amounts owed to group undertakings	—	1,823,184
Other creditors	329,582	—
Accruals and deferred income	801,553	—
	<u>2,260,906</u>	<u>1,823,184</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	Group £	Company £
Bank loans and overdrafts	<u>257,143</u>	<u>—</u>

REFLEX AUDIO VISUAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2003

17. CREDITORS: Amounts falling due after more than one year

	Group £	Company £
Bank loans and overdrafts	<u>532,411</u>	<u>-</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	Group £	Company £
Bank loans and overdrafts	<u>532,411</u>	<u>-</u>

18. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2003 the group had annual commitments under non-cancellable operating leases as set out below.

Group	2003	
	Land and buildings £	Other items £
Operating leases which expire:		
Within 1 year	16,500	5,565
Within 2 to 5 years	<u>95,000</u>	<u>51,058</u>
	<u>111,500</u>	<u>56,623</u>

19. RELATED PARTY TRANSACTIONS

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

20. SHARE CAPITAL

Authorised share capital:

	2003 £
45,000 A Ordinary shares of £1 each	45,000
5,000 B Non Voting shares of £1 each	<u>5,000</u>
	<u>50,000</u>

Allotted, called up and fully paid:

	No	£
A Ordinary shares of £1 each	<u>45,000</u>	<u>45,000</u>

REFLEX AUDIO VISUAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2003

21. RESERVES

Group	Share premium account £	Profit and loss account £
Retained profit for the year	—	285,838
Other movements		
New equity share capital subscribed	55,000	—
Balance carried forward	<u>55,000</u>	<u>285,838</u>

Company	Share premium account £	Profit and loss account £	Total reserves £
Other movements			
New equity share capital subscribed	55,000	—	55,000
Balance carried forward	<u>55,000</u>	<u>—</u>	<u>55,000</u>

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £
Profit for the financial year	285,838
New equity share capital subscribed	45,000
Premium on new share capital subscribed	55,000
	<u>100,000</u>
Net addition to funds	385,838
Closing shareholders' equity funds	<u>385,838</u>