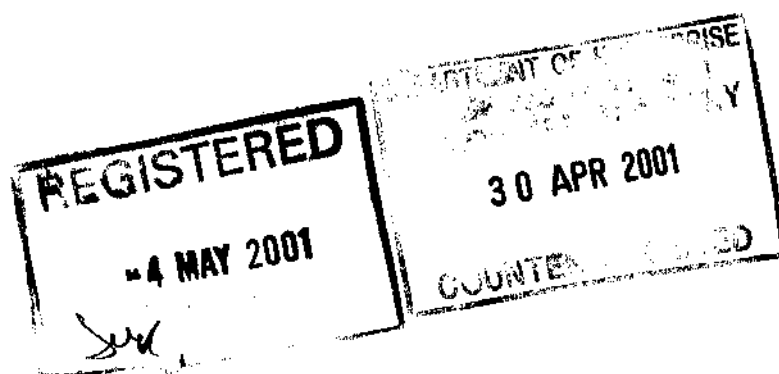


Crane Communications Limited

Abbreviated financial statements

Year ended 30 June 2000

Company registration number: NI 14794



Crane Communications Limited

Abbreviated financial statements

Year ended 30 June 2000

(As modified by Articles 254 and 255 and Schedule 8 of
the Companies (Northern Ireland) Order 1986)

Crane Communications Limited

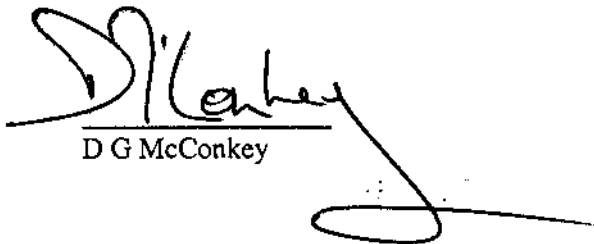
Statement of directors' responsibilities

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;
- 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 (Northern Ireland) Order 1986. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

By order of the board


D G McConkey

27 April 2001



Chartered Accountants

Stokes House
College Sq. East
Belfast BT1 6DH
Northern Ireland

Auditors' report to the members of Crane Communications Limited pursuant to Article 255B of the Companies (Northern Ireland) Order 1986

We have examined the abbreviated accounts set out on pages 3 to 8 together with the financial statements of Crane Communications Limited prepared under Article 234 of the Companies (Northern Ireland) Order 1986 for the year ended 30 June 2000.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Article 254 of the Companies (Northern Ireland) Order 1986. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Articles 254(5) and (6) of the Order to the Registrar of Companies and whether the accounts 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 audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. 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 accounts prepared in accordance with Article 254(5) and (6) of the Companies (Northern Ireland) Order 1986 and the abbreviated accounts are properly prepared in accordance with those provisions.

KPMG
Chartered Accountants
Registered Auditors

✓

27 April 2001

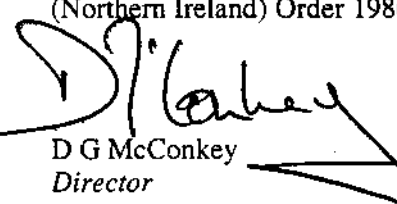
Crane Communications Limited


Abbreviated balance sheet

At 30 June 2000

| | | 2000 | | 1999 | |
|--|------|-----------|---------|-------------|---------|
| | Note | £ | £ | As restated | £ |
| Fixed assets | | | | | |
| Tangible assets | 3 | | 47,519 | | 32,959 |
| Current assets | | | | | |
| Stocks | | 77,624 | | 92,923 | |
| Debtors | | 1,006,379 | | 239,484 | |
| Cash at bank and on hand | | 532 | | 537,026 | |
| | | | | | |
| | | 1,084,535 | | 869,433 | |
| Creditors: amounts falling due within one year | 4 | (474,468) | | (292,961) | |
| | | | | | |
| Net current assets | | | 610,067 | | 576,472 |
| | | | | | |
| Total assets less current liabilities | | | 657,586 | | 609,431 |
| | | | | | |
| Creditors: amounts falling due after more than one year | 5 | | - | | (8,160) |
| | | | | | |
| Net assets | | | 657,586 | | 601,271 |
| | | | | | |
| Capital and reserves | | | | | |
| Called-up share capital | 6 | | 2 | | 2 |
| Profit and loss account | | | 657,584 | | 601,269 |
| | | | | | |
| Equity shareholders' funds | 7 | | 657,586 | | 601,271 |

"The directors have taken advantage of the exemptions conferred by Part VIII to The Companies (Northern Ireland) Order 1986 on the basis that the company qualifies as a small company."


D G McConkey
Director


N L McConkey
Director

The notes on pages 4 to 8 form part of these financial statements.

Crane Communications Limited

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Accounting convention

The financial statements have been prepared under the historical cost convention.

Cash flow statement

The directors have availed of the exemption for small companies provided by FRS1 and have not prepared a cash flow statement.

Depreciation

Depreciation is calculated so as to write off the original cost less the estimated residual value of the assets over their expected useful lives at the following annual rates:

| | |
|------------------------|-------------------|
| Plant and machinery | 25% straight line |
| Furniture and fixtures | 16% straight line |
| Leasehold improvements | 10% straight line |
| Motor vehicles | 25% straight line |

Taxation

Corporation tax is calculated on the profits of the year.

Deferred taxation is provided using the liability method in respect of the taxation effect of all timing differences to the extent that it is probable that liabilities will crystallise in the foreseeable future.

Hire purchase

The effect of these transactions is taken into account over the period of each particular contract, interest being calculated using the sum of digits method. The capital element of the contract has been included in fixed assets.

Stocks

Stocks are valued by the Directors at the lower of cost and net realisable value. Cost of raw materials is represented by invoice price. Net realisable value is based on estimated normal selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

Operating leases

Expenditure on operating leases and rentals is charged to the profit and loss account as incurred.

Crane Communications Limited

Notes (continued)

2 Acquisition of Video Services Ireland

On 18 February 2000 the company acquired the trade, certain assets and liabilities of Video Services Ireland. The purchase consideration paid was £Nil. A summary of the assets and liabilities acquired is as follows:

| | £ |
|---------------------------|----------|
| Fixed assets | 32,269 |
| Stocks | 22,591 |
| Accruals | (5,267) |
| Bank overdraft | (34,932) |
| Hire purchase liabilities | (14,661) |
| | <hr/> |
| Net assets acquired | - |
| | <hr/> |

3 Tangible fixed assets

| | <i>Leasehold improvements</i> £ | <i>Fixtures & fixtures</i> £ | <i>Plant & machinery</i> £ | <i>Motor vehicles</i> £ | <i>Total</i> £ |
|------------------------|--|---|---------------------------------------|--------------------------------|-------------------|
| Cost | | | | | |
| At 1 July 1999 | 33,303 | 27,281 | 3,328 | 26,000 | 89,912 |
| Additions | - | 2,277 | 150 | 32,119 | 34,546 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 30 June 2000 | 33,303 | 29,558 | 3,478 | 58,119 | 124,458 |
| Depreciation | | | | | |
| At 1 July 1999 | 19,404 | 19,221 | 2,528 | 15,800 | 56,953 |
| Charged during year | 3,330 | 3,838 | 417 | 12,401 | 19,986 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 30 June 2000 | 22,734 | 23,059 | 2,945 | 28,201 | 76,939 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Net book value | | | | | |
| At 30 June 2000 | 10,569 | 6,499 | 533 | 29,918 | 47,519 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 1 July 1999 | 13,899 | 8,060 | 800 | 10,200 | 32,959 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

Included in the total net book value of motor vehicles is £26,144 (1999: £10,200) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £9,035 (1999: £3,400).

Crane Communications Limited

Notes (continued)

4 Creditors: amounts falling due within one year

| | 2000 £ | Restated 1999 £ |
|---|----------------|-----------------------|
| <i>Loans and other borrowings</i> | | |
| Bank overdrafts | 109,517 | - |
| Invoice discounting balance | 132,736 | 80,937 |
| | <u>242,253</u> | <u>-</u> |
| <i>Other creditors</i> | | |
| Trade creditors | 170,343 | 155,562 |
| Sundry creditors and accruals | 26,358 | 8,806 |
| Corporation tax | 13,584 | 44,936 |
| Obligations under hire purchase contracts | 17,003 | 2,720 |
| Other creditors | 4,927 | - |
| | <u>474,468</u> | <u>292,961</u> |

The invoice discounting balance represents discounting with recourse. Both the invoice discounting balance and the overdraft are secured by way of a fixed and floating charge over certain of the company's assets.

5 Creditors: amounts falling due after more than one year

| | 2000 £ | 1999 £ |
|--|---------------|---------------|
| Hire purchase liability | - | 8,160 |
| | <u>-</u> | <u>8,160</u> |
| <i>Analysis of debt:</i> | | |
| | 2000 £ | 1999 £ |
| Hire purchase debt can be analysed as falling due: | | |
| In one year or less, or on demand | 17,003 | 2,720 |
| Between one and two years | - | 8,160 |
| Between two and five years | - | - |
| | <u>17,003</u> | <u>10,880</u> |

Crane Communications Limited

Notes (continued)

6 Share capital

| | 2000 £ | 1999 £ |
|---|-----------|-----------|
| <i>Authorised</i> | | |
| Ordinary shares of £1 each | 50,000 | 50,000 |
| <i>Allotted, called-up and fully paid</i> | | |
| Ordinary shares of £1 each | 2 | 2 |

7 Reconciliation of movement in shareholders' funds

| | 2000 £ | 1999 £ |
|-----------------------------|-----------|-----------|
| Opening shareholders' funds | 601,271 | 432,016 |
| Profit for financial year | 56,315 | 169,255 |
| Closing shareholders' funds | 657,586 | 601,271 |

8 Commitments

The company had no capital commitments at either year end. The company has the following rental and operating commitments.

| | Rent £ | Consultancy services £ | Total £ |
|----------------------------|-----------|------------------------------|------------|
| Within one year | 25,000 | 35,000 | 60,000 |
| Between two and five years | 50,000 | 70,000 | 120,000 |
| | 75,000 | 105,000 | 180,000 |

Crane Communications Limited

Notes (continued)

9 Transactions with related parties

The ultimate controlling party is deemed to be D G McConkey, a director, due to his controlling interest in Hansa Enterprises Limited, the parent undertaking and ultimate controlling party of this company.

During the year the company transacted with its parent undertaking, Hansa Enterprises Limited, in which the directors have a controlling interest. The company paid certain amounts on behalf of Hansa Enterprises Limited which has resulted in a debt due to the company.

| | |
|---|-----------|
| | 2000 £ |
| <i>Amounts due in less than one year</i> | |
| Current account - Hansa Enterprises Limited | 802,858 |

10 Ultimate parent undertaking

The company is a subsidiary undertaking of Hansa Enterprises Limited, a company incorporated in Northern Ireland. Hansa Enterprises Limited is exempt by virtue of Article 256 of the Companies (Northern Ireland) Order 1986 from the requirement to prepare group accounts.

11 Contingent liabilities

The net assets of the company have been given as a guarantee regarding the payment of certain amounts detailed in the purchase agreement of the company.

12 Prior year adjustment

In the prior year gross trade debts of £150,666 had been factored with recourse. The company had drawn down funds of £80,937 against this amount. Last year's financial statements incorrectly reduced trade debtors by the amount drawn down. The financial statements have been restated to gross up the prior year trade debtor balance by £80,937 with this amount now recorded in creditors.