COMPANY REGISTRATION NUMBER 553321

REEL LEISURE LIMITED

ABBREVIATED FINANCIAL STATEMENTS

31 DECEMBER 2001



BKR HAINES WATTS
Chartered Accountants & Registered Auditors
Bridge House
157 Ashley Road
Hale, Altrincham
Cheshire
WA14 2UT

REEL LEISURE LIMITED

ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2001

Contents	Pages
Independent auditors' report to the company	1
Abbreviated balance sheet	2
Notes to the abbreviated financial statements	3 to 4

REEL LEISURE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 4, together with the financial statements of the company for the year ended 31 December 2001 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of the directors and the auditors
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

Basis of opinion
We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion
In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.

BKR Haines Watts

Bridge House
157 Ashley Road
Hale, Altrincham
Cheshire WA14 2UT

19/8/02

BKR HAINES WATTS
Chartered Accountants
& Registered Auditors

REEL LEISURE LIMITED

ABBREVIATED BALANCE SHEET

YEAR ENDED 31 DECEMBER 2001

	Note	2001 £	2001 £	2000 £	2000 £
Fixed assets	2				
Intangible assets			135,000		-
Tangible assets			1,640,355		1,526,231
Investments			3,200		3,200
			1,778,555		1,529,431
Current assets					
Debtors		115,387		56,813	
Cash at bank and in hand		48,737		32,452	
		164,124		89,265	
Creditors: Amounts falling due within one year		(436,538)		(328,377)	
Net current liabilities			(272,414)		(239,112)
Total assets less current liabilities			1,506,141		1,290,319
Creditors: Amounts falling due after more than one year			(470,569)		(306,519)
			1,035,572		983,800
Capital and reserves					
Called-up share capital	3		208,000		208,000
Revaluation reserve			31,602		(9,188)
Profit and Loss Account			795,970		784,988
Shareholders' funds			1,035,572		983,800

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 14-8-02 and are signed on their behalf by:

R.A Bell

R A Bell

The notes on pages 3 to 4 form part of these financial statements.

REEL LEISURE LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

31 DECEMBER 2001

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

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

Goodwill

Goodwill is valued at cost and has an estimated useful life of ten years.

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	- 10% on 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:

Freehold Property	- 2% on cost
Leasehold Property	- Over the remaining life of the lease
Gaming Machines	- 25% reducing balance
Fixtures & Fittings	- 20% reducing balance
Motor Vehicles	- 25% reducing balance

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account on a straight line basis.

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

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

2. Fixed assets

	Intangible Assets £	Tangible Assets £	Investments £	Total £
Cost or valuation				
At 1 January 2001	–	2,194,881	3,200	2,198,081
Additions	150,000	341,531	–	491,531
Disposals	–	(163,295)	–	(163,295)
Revaluation	–	40,790	–	40,790
At 31 December 2001	150,000	2,413,907	3,200	2,567,107
Depreciation				
At 1 January 2001	–	668,650	–	668,650
Charge for year	15,000	181,658	–	196,658
On disposals	–	(76,756)	–	(76,756)
At 31 December 2001	15,000	773,552	–	788,552
Net book value				
At 31 December 2001	135,000	1,640,355	3,200	1,778,555
At 31 December 2000	–	1,526,231	3,200	1,529,431

3. Share capital

Authorised share capital:

	2001 £	2000 £
20,000 Ordinary shares of £1 each	20,000	20,000
200,000 Preference shares of £1 each	200,000	200,000
	220,000	220,000

Allotted, called up and fully paid:

	2001 No.	2001 £	2000 No.	2000 £
Ordinary shares	8,000	8,000	8,000	8,000
Preference shares	200,000	200,000	200,000	200,000
	208,000	208,000	208,000	208,000

Preference shares represent 8% cumulative redeemable preference shares, redeemable at par, at the companies option, on or after 7 May 2001.

No other rights are attached to the shares.