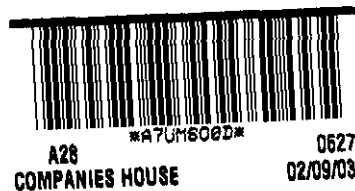


COMPANY REGISTRATION NUMBER 553321

REEL LEISURE LIMITED
ABBREVIATED ACCOUNTS
31 DECEMBER 2002



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

REEL LEISURE LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2002

Contents	Pages
Independent auditors' report to the company	1
Abbreviated balance sheet	2
Notes to the abbreviated accounts	3 to 5

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 5, together with the financial statements of the company for the year ended 31 December 2002 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company's shareholders, as a body, in accordance with Section 247B 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 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

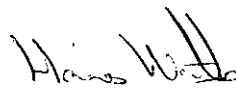
We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did 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 5 are properly prepared in accordance with those provisions.

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

28/03.....



HAINES WATTS
Chartered Accountants
& Registered Auditors

REEL LEISURE LIMITED

ABBREVIATED BALANCE SHEET

31 DECEMBER 2002

	Note	2002 £	£	2001 £	£
Fixed assets	2				
Intangible assets			120,000		135,000
Tangible assets			1,691,412		1,640,355
Investments			3,200		3,200
			<u>1,814,612</u>		<u>1,778,555</u>
Current assets					
Debtors		54,012		115,387	
Cash at bank and in hand		52,960		48,737	
		106,972		164,124	
Creditors: Amounts falling due within one year		468,313		436,538	
Net current liabilities			(361,341)		(272,414)
Total assets less current liabilities			<u>1,453,271</u>		<u>1,506,141</u>
Creditors: Amounts falling due after more than one year			415,570		470,569
Provisions for liabilities and charges			15,143		-
			<u>1,022,558</u>		<u>1,035,572</u>
Capital and reserves					
Called-up share capital	3		208,000		208,000
Revaluation reserve			104,153		31,602
Profit and loss account			710,405		795,970
Shareholders' funds			<u>1,022,558</u>		<u>1,035,572</u>

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

These abbreviated accounts were approved by the directors on 21-08-03 and are signed on their behalf by:


R A Bell

The notes on pages 3 to 5 form part of these abbreviated accounts.

REEL LEISURE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2002

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
----------	---------------

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

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

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.

REEL LEISURE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2002

1. Accounting policies *(continued)*

Deferred taxation

Deferred taxation 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 receive more, tax.

Deferred taxation 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 taxation rates and laws enacted or substantively enacted at the balance sheet date.

Capital instruments

Capital instruments are included within shareholders funds in accordance with FRS 4.

Freehold land & buildings

Freehold land and buildings are stated in the balance sheet at their revalued amount. Valuations are carried out by a suitably qualified valuer in accordance with Financial Reporting Standard Number 15.

2. Fixed assets

	Intangible Assets £	Tangible Assets £	Investments £	Total £
Cost or valuation				
At 1 January 2002	150,000	2,413,907	3,200	2,567,107
Additions	—	322,194	—	322,194
Disposals	—	(141,225)	—	(141,225)
At 31 December 2002	150,000	2,594,876	3,200	2,748,076
Depreciation				
At 1 January 2002	15,000	773,552	—	788,552
Charge for year	15,000	196,336	—	211,336
On disposals	—	(66,424)	—	(66,424)
At 31 December 2002	30,000	903,464	—	933,464
Net book value				
At 31 December 2002	120,000	1,691,412	3,200	1,814,612
At 31 December 2001	135,000	1,640,355	3,200	1,778,555

Included within freehold & leasehold property are short leasehold property's with a net book value of £31,754 (2001 : £34,400).

REEL LEISURE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2002

2. Fixed assets (continued)

The above investment represents a 100% controlling interest of 4,999 shares in Star Automatics Limited, a dormant company registered in the United Kingdom.

The accounts of the above company have not been consolidated into the group accounts of Reel Leisure Limited as the directors consider that this would be of no benefit due to the dormant nature of the subsidiary.

The reserves of Star Automatics Limited at the balance sheet date stood at £14,396. (2001 £14,396).

3. Share capital

Authorised share capital:

	2002	2001
	£	£
20,000 Ordinary shares of £1 each	20,000	20,000
200,000 Preference shares of £1 each	200,000	200,000
	<u>220,000</u>	<u>220,000</u>

Allotted, called up and fully paid:

	2002		2001	
	No	£	No	£
Ordinary shares of £1 each	8,000	8,000	8,000	8,000
Preference shares of £1 each	200,000	200,000	200,000	200,000
	<u>208,000</u>	<u>208,000</u>	<u>208,000</u>	<u>208,000</u>

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.