

PC -

KEELEY HIRE (FILM AND TELEVISION) LIMITED

Directors:

E M O'Doherty (Chairman)
Mrs M O'Doherty
T M O'Doherty
Mrs G M Borroff

Secretary:

Mrs A B Sawyer

Registered Office:

Parker House
104a Hutton Road
Shenfield
Essex CM15 8NE

Company Registration Number:

1179321

Auditors:

Ansons
Chartered Accountants
Parker House
104a Hutton Road
Shenfield
Essex CM15 8NE

Bankers:

Barclays Bank PLC
Hertford Business Centre



KEELEY HIRE (FILM AND TELEVISION) LIMITED

DIRECTORS' REPORT

Accounts

The directors present their report and audited accounts for the year ended 31st July 2000.

Activities

The principal activities of the company, which have remained unchanged during the year, were as providers of props to the film and television industry.

Business Review

The directors consider the results for the year to be satisfactory.

Post Balance Sheet Events

There are no significant events having an effect on the financial position of the company which have taken place since the balance sheet date.

Future Developments

The directors intend to continue the development of the business in the coming year.

Dividend

The directors do not recommend payment of a dividend for the year.

Results

The results for the year are set out on page 5.

Fixed Assets

Changes in fixed assets are shown in the notes to the accounts.

Taxation Status

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

Directors and Shareholdings

The directors who served during the year together with their shareholdings at both 31st July 2000 and 1999 were:-

	Ordinary Shares	Preference Shares
Mrs M O'Doherty	-	-
T M O'Doherty	1,500	1,000
Mrs G M Borroff	1,500	1,000
E M O'Doherty	1,500	1,000

KEELEY HIRE (FILM AND TELEVISION) LIMITED

DIRECTORS' REPORT - CONTINUED

Responsibilities of the Directors

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 or loss of the company for that period. In preparing these financial statements, the directors are required to:

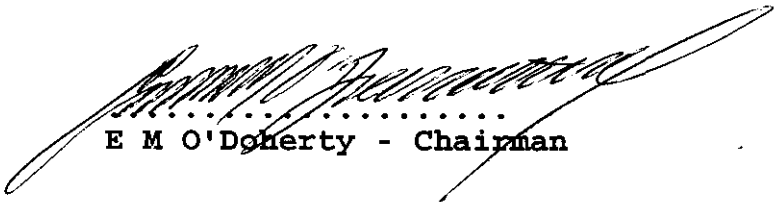
- select suitable accounting policies and apply them consistently;
- make judgements and estimates which are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps to prevent fraud and other irregularities.

Auditors

In accordance with Section 385(1) of the Companies Act 1985 as amended by Section 119(1) of the Companies Act 1989, a resolution proposing the re-appointment of Ansons, Chartered Accountants as Auditors will be put to the Annual General Meeting.

This report was approved on 23rd November 2000.



.....
E M O'Doherty - Chairman

AUDITORS' REPORT

TO THE SHAREHOLDERS OF KEELEY HIRE (FILM AND TELEVISION) LIMITED

We have audited the financial statements on pages 5 to 11 which have been prepared under the Accounting Policies laid out on page 7.

Respective responsibilities of the directors and auditors.

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion on those statements, based on our audit, and to report our opinion to you.

Basis of opinion

We have conducted our audit in accordance with auditing standards. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in 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 mis-statement, 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st July 2000 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Parker House
104a Hutton Road
Shenfield
Essex CM15 8NE

23rd November 2000



ANSONS
CHARTERED ACCOUNTANTS
AND REGISTERED AUDITORS

KEELEY HIRE (FILM AND TELEVISION) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST JULY 2000

	<u>Notes</u>	<u>2000</u>	<u>1999</u>
		£	£
Turnover	1	442,569	462,876
Cost of Sales		(134,009)	(134,076)
Gross Profit		308,560	328,800
Other Interest Receivable	2	9	-
Interest Payable and Similar Charges	2	(44,027)	(69,703)
Administrative Expenses		(234,757)	(285,592)
Net Profit/(Loss) on Ordinary Activities Before Taxation	2	29,785	(26,495)
Taxation	4	256	7,500
Net Profit/(Loss) on Ordinary Activities After Taxation	11	30,041	(18,995)

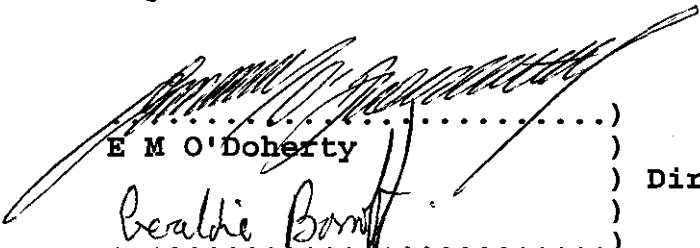
There are no recognised gains or losses other than those passing through the profit and loss account.

KEELEY HIRE (FILM AND TELEVISION) LIMITED

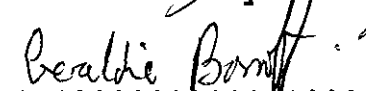
BALANCE SHEET AS AT 31ST JULY 2000

	<u>Notes</u>	<u>2000</u>	<u>1999</u>
		£	£
Fixed Assets			
Tangible Assets	1&5	1,681,702	1,556,477
Current Assets			
Debtors	6	47,101	90,883
Petty Cash		106	5,407
Cash at Bank		90,509	1,018
		<u>137,716</u>	<u>97,308</u>
Creditors			
(Amounts falling due within one year)	7	<u>(302,108)</u>	<u>(213,840)</u>
Net Current (Liabilities)		<u>(164,392)</u>	<u>(116,532)</u>
Total Assets Less Current Liabilities		<u>1,517,310</u>	<u>1,439,945</u>
Creditors			
(Amounts falling due after one year)	8	<u>(398,953)</u>	<u>(351,629)</u>
Net Assets		<u><u>1,118,357</u></u>	<u><u>1,088,316</u></u>
Financed By:			
Capital and Reserves			
Share Capital	10	10,000	10,000
Revaluation Reserve		447,768	447,768
Profit & Loss Account	11	660,589	630,548
		<u><u>1,118,357</u></u>	<u><u>1,088,316</u></u>

Signed on Behalf of the Board


.....)
E M O'Doherty

) Directors


.....)
Mrs G M Borroff

These accounts were approved by the directors on 23rd November 2000.

KEELEY HIRE (FILM AND TELEVISION) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST JULY 2000

1. Accounting Policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Company's accounts -

a) Accounting Convention

These accounts are prepared under the Historical Cost Convention.

b) Turnover

Turnover represents amounts invoiced by the company in respect of goods sold and services rendered during the year and excludes Value Added Tax.

The turnover and results of the company for the year derives from the same class of business as noted in the Directors' report. The turnover arises entirely in the United Kingdom.

c) Fixed Assets and Depreciation

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over the expected useful life as follows:-

Plant & Machinery	- 20% on reducing balance basis
Furniture & Fixtures	
& Equipment	- 20% on reducing balance basis
Motor Vehicles	- 25% on reducing balance basis
Props	- 5% on reducing balance basis

Freehold Land and Buildings are not depreciated.

d) Leases

Assets held under finance leases or hire purchase agreements and the related obligations are recorded in the balance sheet at the fair value of the assets at the inception of the agreements. The excess of the payments over the recorded obligations are treated as finance charges which are amortised over the term of each agreement to give a constant rate of charge on the remaining balance of the obligations.

Rental costs under operating leases are charged to the profit and loss account in equal annual instalments over the periods of the leases.

e) Deferred Taxation

Deferred Taxation is calculated on the liability method. It is provided to the extent that it is considered with reasonable possibility, that a liability will become payable within the foreseeable future.

KEELEY HIRE (FILM AND TELEVISION) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST JULY 2000

- CONTINUED -

1. Accounting Policies

f) Pensions

The company operates a defined contribution scheme covering the majority of its permanent employees. Pension costs charged against profits represent the amounts payable to the scheme in respect of the year.

g) Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rates ruling at the date of the transactions. All differences are taken to the profit and loss account.

2. Operating Profit/(Loss) Before Taxation

	<u>2000</u>	<u>1999</u>
	£	£
Operating Profit/(Loss) is after Charging -		
Directors' Remuneration	68,564	55,500
Directors' Pension Contributions	5,333	5,270
Auditors Remuneration	5,000	3,000
Depreciation	44,057	36,751
	<u> </u>	<u> </u>

Interest Receivable

Bank deposit Interest - Gross	9	-
	<u> </u>	<u> </u>

Interest Payable and Similar Charges

Bank Loans repayable within 5 years	9,278	13,645
Bank Loans repayable after more than 5 years	28,757	28,223
Finance charges on finance leases and hire purchase obligations	5,992	27,835
	<u> </u>	<u> </u>
	44,027	69,703
	<u> </u>	<u> </u>

Directors' Emoluments

Directors' Remuneration	68,564	55,500
Directors' Pension Contributions	5,333	5,270
Benefits in Kind	8,269	23,329
	<u> </u>	<u> </u>

3. Staff Costs

Wages & Salaries (Including Directors)	149,962	128,503
Social Security Costs	13,992	13,446
Pension Contributions	5,333	5,270
	<u> </u>	<u> </u>
	169,287	147,219
	<u> </u>	<u> </u>
Average number of employees during the year was	12	12
	<u> </u>	<u> </u>

KEELEY HIRE (FILM AND TELEVISION) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST JULY 2000

-- CONTINUED --

4. Taxation	<u>2000</u>	<u>1999</u>
	£	£
Overprovision in previous year	256	7,500
	<u>256</u>	<u>7,500</u>

The directors do not anticipate that a liability for Corporation Tax will arise in respect of these accounts for the year. This is primarily due to the higher rates of capital allowances available for tax purposes than the corresponding rates for depreciation provided in the year.

5. Tangible Fixed Assets

	Freehold Land & Buildings £	Props £	Motor Vehicles £	Furniture Fittings & Plant £	Total £
Cost					
At 1/8/99	1,000,000	965,828	74,249	166,134	2,206,211
Additions	-	124,555	47,665	2,597	174,817
Disposals	-	-	(44,949)	-	(44,949)
	<u>1,000,000</u>	<u>1,090,383</u>	<u>76,965</u>	<u>168,731</u>	<u>2,336,079</u>
Depreciation					
At 1/8/99	-	467,521	50,796	131,419	649,736
For year	-	27,470	10,024	6,563	44,057
Disposals	-	-	(39,416)	-	(39,416)
	<u>-</u>	<u>494,991</u>	<u>21,404</u>	<u>137,982</u>	<u>654,377</u>
Net Book Value					
At 31/7/00	<u>1,000,000</u>	<u>595,392</u>	<u>55,561</u>	<u>30,749</u>	<u>1,681,702</u>
At 31/7/99	<u>1,000,000</u>	<u>498,307</u>	<u>23,454</u>	<u>34,716</u>	<u>1,556,477</u>

Finance Leases

At 31st July 2000 the net book value of assets held under finance leases and hire purchase contracts was £141,960 (1999 - £42,986).

KEELEY HIRE (FILM AND TELEVISION) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST JULY 2000

-- CONTINUED --

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
6. Debtors		
Trade Debtors	31,122	75,563
Prepayments	15,979	15,320
	<u>47,101</u>	<u>90,883</u>
7. Creditors (Amounts falling due within one year)		
Trade Creditors	17,104	35,344
Loans Other than from Banks	77	1,579
Accruals and Deferred Income	11,399	13,439
Bank Loan and Overdraft (Secured)	150,531	83,632
Other Taxes and Social Security	42,673	36,332
Proposed Dividend	4,200	4,200
Directors' Current Accounts	23,804	4,599
Directors Remuneration Payable	22,000	20,000
Obligations under finance leases and hire purchase contracts	30,320	14,715
	<u>302,108</u>	<u>213,840</u>
Obligations under finance leases and hire purchase contracts are secured on the related assets.		
8. Creditors (Amounts falling due after more than one year)		
Bank Loans	286,084	295,293
Pension Fund Loan	36,250	36,250
Obligations under finance leases and hire purchase contracts	76,619	20,086
	<u>398,953</u>	<u>351,629</u>

The bank loan which totals £335,695 is repayable in monthly instalments. The rate of interest on the loan is 2.75% over base rate for the first 3 years. The loan is secured by a fixed charge on the Freehold Property and by a floating charge over the other assets and undertakings of the company.

KEELEY HIRE (FILM AND TELEVISION) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST JULY 2000

-- CONTINUED --

9. Deferred Taxation

	Full Potential Liability <u>2000</u> £	Provision Made <u>2000</u> £	Full Potential Liability <u>1999</u> £	Provision Made <u>1999</u> £
Accelerated Capital Allowances	77,850	-	73,550	-

No provision has been made for the potential deferred tax liability in respect of accelerated capital allowances because, in the opinion of the Directors, this liability is unlikely to become payable within the foreseeable future.

10. Share Capital

	<u>2000</u> £	<u>1999</u> £
Authorised		
6,000 Ordinary Shares of £1 each	6,000	6,000
4,000 7% Preference Shares of £1 each	4,000	4,000
	<u>10,000</u>	<u>10,000</u>
 Issued, Called Up and Fully Paid		
6,000 Ordinary Shares of £1 each	6,000	6,000
4,000 7% Preference Shares of £1 each	4,000	4,000
	<u>10,000</u>	<u>10,000</u>

11. Profit and Loss Account

Balance Brought Forward	630,548	649,543
Profit/(Loss) for the year after Taxation	30,041	(18,995)
Balance Carried Forward	<u>660,589</u>	<u>630,548</u>
 Revaluation Reserve		
Balance Brought and Carried Forward	<u>447,768</u>	<u>447,768</u>