Keeley Hire (Film and Television) Limited

Directors:	E M O'Doherty (Chairman) Miss M G 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
Accountants:	Ansons Chartered Accountants Parker House 104a Hutton Road Shenfield Essex CM15 8NE
Bankers:	Barclays Bank PLC Hertford Business Centre

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Keeley Hire (Film and Television) Limited

Directors' Report

Accounts
The directors present their report and annual accounts for the year ended 31st July 2004.

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 2004 and 2003 were:-

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

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;

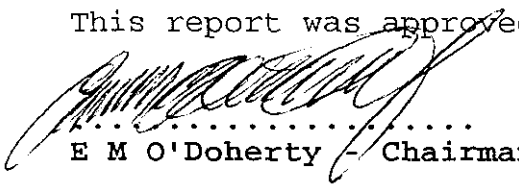
- make judgements and estimates which are reasonable and prudent;

- 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.

Small Company Exemption
Advantage has been taken in the preparation of this report of the special exemption applicable to small companies.

This report was approved on 3rd February 2005.



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

Accountants' Report to the Shareholders on the

Unaudited Accounts of Keeley Hire (Film and Television) Limited

In accordance with instructions given to us, we have prepared without carrying out an audit, the accounts on pages 5 to 12 from the accounting records of Keeley Hire (Film and Television) Limited and from information and explanations given to us.

Parker House
104a Hutton Road
Shenfield
Essex CM15 8NE

3rd February 2005



Ansons
Chartered Accountants

Keeley Hire (Film and Television) Limited

Profit and Loss Account for the Year Ended 31st July 2004

	Notes	2004	2003
		£	£
Turnover	1	483,872	578,584
Cost of Sales		(146,021)	(187,840)
Gross Profit		337,851	390,744
Interest Receivable and Similar Income	2	10,935	6,047
Interest Payable and Similar Charges	2	(65,809)	(49,964)
Administrative Expenses		(278,958)	(343,776)
Net Profit on Ordinary Activities Before Taxation	2	4,019	3,051
Taxation	5	(109)	(101,612)
Net (Loss) on Ordinary Activities After Taxation	11	3,910	(98,561)

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

The Profit and Loss Account has been prepared on the basis that all operations are continuing operations.

Keeley Hire (Film and Television) Limited

Balance Sheet as at 31st July 2004

	Notes	2004		2003	
		£	£	£	£
Fixed Assets					
Tangible Assets	1&4		2,519,530		1,752,361
Current Assets					
Debtors	6	66,750		72,585	
Cash in Hand		397		135	
Cash at Bank		-		97,361	
		67,147		170,081	
Creditors (Amounts due within one year)	7	(491,599)		(256,132)	
Net Current (Liabilities)			(424,452)		(86,051)
Total Assets Less Current Liabilities			2,095,078		1,666,310
Creditors (Amounts due after more than one year)	8		(927,681)		(493,340)
Provision for Liabilities and Charges	9		(92,525)		(102,008)
Net Assets			1,074,872		1,070,962

Keeley Hire (Film and Television) Limited

Balance Sheet as at 31st July 2004 - Continued

	Notes	2004 £	2003 £
Financed by -			
Capital and Reserves			
Called up Share Capital	10	10,000	10,000
Revaluation Reserve	11	447,768	447,768
Profit and Loss Account	11	617,104	613,194
		1,074,872	1,070,962

For the year ended 31st July 2004 the company was entitled to exemption under section 249a(1) of the Companies Act 1985.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249b(2).

The directors acknowledge their responsibilities for:

i) Ensuring the company keeps accounting records which comply with section 221; and

ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year; and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company.

The accounts are prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the board

.....
E M O'Doherty

Directors

.....
Mrs G M Borroff

These accounts were approved by the Directors on 3rd February 2005.

Keeley Hire (Film and Television) Limited

Notes to the Accounts for the Year Ended 31st July 2004

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 (as modified by the revaluation of Freehold Premises).

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.

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:-

Props	- 5% on reducing balance basis
Motor Vehicles	- 25% on reducing balance basis
Furniture, Fittings & Plant	- 20% on reducing balance basis

In the opinion of the directors the market value of the Freehold Land and Buildings are in excess of their book value. For this reason they have not been 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**
The accounting policy in respect of deferred taxation has been changed for the year ended 31st July 2003 to reflect the requirements of FRS19 - Deferred Tax.

Deferred tax is now provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. This amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent that it was probable that liabilities would crystallise in the foreseeable future.

Notes to the Accounts for the Year Ended 31st July 2004 - 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 Before Taxation

Operating Profit is after Charging -	2004 £	2003 £
Directors' Remuneration	71,000	146,600
Directors' Pension Contributions	5,592	5,535
Auditors Remuneration	-	4,200
Depreciation	35,026	43,186

Interest Receivable & Similar Income		
Bank Interest Received - Gross	135	47
Rent Receivable	10,800	6,000
	10,935	6,047

Interest Payable and Similar Charges		
Bank Loans due within 5 years	9,368	8,293
Bank Loans due after more than 5 years	52,919	36,119
Finance charges on finance leases and hire purchase obligations	3,522	5,552
	65,809	49,964

Directors' Emoluments		
Directors' Remuneration	71,000	146,600
Directors' Pension Contributions	5,592	5,535
Benefits in Kind	16,805	22,447
Emoluments of the Chairman	25,000	55,700

Number of Directors (excluding the above) whose Emoluments were within the range -		
15,000 - 20,000	2	-
20,000 - 25,000	1	-
25,000 - 30,000	-	2
35,000 - 40,000	-	1

3. Staff Costs	2004 £	2003 £
Wages & Salaries (Including Directors)	154,430	249,822
Social Security Costs	14,232	28,243
Pension Contributions	5,592	5,535
	174,254	283,600
The average number of employees during the year was	11	11

4. Tangible Fixed Assets

Cost or valuation	Freehold Land & Buildings £	Props £	Motor Vehicles £	Furniture Fittings & Plant £	Total £
At 1/8/03	1,130,000	1,162,267	80,715	168,831	2,541,813
Additions	800,800	12,912	-	-	813,712
Disposals	-	-	(29,000)	-	(29,000)
At 31/7/04	1,930,800	1,175,179	51,715	168,831	3,326,525
Depreciation					
At 1/8/03	-	580,652	55,770	153,030	789,452
For year	-	28,422	3,720	2,884	35,026
Disposals	-	-	(17,483)	-	(17,483)
At 31/7/04	-	609,074	42,007	155,914	806,995
Net Book Value					
At 31/7/04	1,930,800	566,105	9,708	12,917	2,519,530
At 31/7/03	1,130,000	581,615	24,945	15,801	1,752,361

Freehold Land & Buildings
The Freehold Premises was valued at £1,000,000 by Glennys, Chartered Surveyors on 28th July 2000. This value has been included in the accounts by the creation of a revaluation reserve of £447,768 as shown in note 11.

The following additions at cost are also included above. A Freehold House bought in the year ended 31st July 2004 at cost of £800,800 and a Freehold House bought in the year ended 31st July 2001 at a cost of £130,000.

Finance Leases
At 31st July 2004 the net book value of assets under finance leases & hire purchase contracts was £92,218 (2003 - £110,410).

		2004 £	2003 £
5.	**Taxation**		
	Corporation tax on results for the year	-	-
	(under)/overprovision in previous year	(9,196)	396
	Transfer from/(to) deferred taxation	9,087	(102,008)
		(109)	(101,612)

The directors do not anticipate that a liability for corporation tax will arise in respect of these accounts.

For the year ended 31st July 2003 the above provision for deferred tax has arisen following a change in accounting policy as described in note 1e.

6.	**Debtors**		
	Trade Debtors	48,006	71,730
	Prepayments	18,744	855
		66,750	72,585

7.	**Creditors (Amounts falling due within one year)**		
	Trade Creditors	21,080	658
	Bank Overdraft (Secured)	1,442	-
	Loans Other than from Banks	-	1,086
	Accruals & Deferred Income	34,317	33,754
	Bank Loan & Overdraft (Secured)	107,079	69,014
	Other Taxes & Social Security	41,808	50,918
	Proposed Dividend	4,200	4,200
	Directors' Current Accounts	194,798	5,102
	Directors Remuneration Payable	71,000	71,000
	Obligations under finance leases & hire purchase contracts	15,875	20,400
		491,599	256,132

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	890,389	434,058
	Pension Fund Loan	36,250	36,250
	Obligations under finance leases & hire purchase contracts	1,042	23,032
		927,681	493,340

The bank loans which total £991,056 are 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 Properties and by a floating charge over the other assets and undertakings of the company.

9. **Deferred Taxation**

Accelerated Capital Allowances	2004 £	2003 £
Balance Brought forward	101,612	-
Transfer for the year	(9,087)	102,008
Balance Carried Forward	92,525	102,008

For the year ended 31st July 2003 the above liability for deferred taxation has arisen following a change in accounting policy. This is fully explained in note 1e.

10. **Share Capital**

	2004 £	2003 £
Authorised		
6,000 Ordinary Shares of £1 each	6,000	6,000
4,000 7% Preference Shares of £1 each	4,000	4,000
	10,000	10,000
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
	10,000	10,000

11. **Profit and Loss Account**

Balance Brought Forward	613,194	711,755
Profit/(Loss) for year after Taxation	3,910	(98,561)
Balance Carried Forward	617,104	613,194
Revaluation Reserve		
Balance Brought and Carried Forward	447,768	447,768

12. **Reconciliation of Movements in Shareholders Funds**

Profit/(Loss) for the financial year being Net addition/(Depletion) to shareholders funds	3,910	(98,561)
Opening Shareholders Funds	1,070,962	1,169,523
Closing Shareholders Funds	1,074,872	1,070,962