

financial statements abbreviated

FilmLight Limited

For the year ended 31 March 2004

Company registration number: 03917536



MacIntyre Hudson

THE FUTURE IS WHAT YOU MAKE IT™

FilmLight Limited

Independent Auditors' Report to the Company

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts which comprise the abbreviated balance sheet, accounting policies and the related notes, together with the financial statements of FilmLight Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 March 2004.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, 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 sections 246(5) and (6) 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 under those sections to the Registrar of Companies and whether the abbreviated accounts have been 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 deliver abbreviated accounts and the abbreviated accounts have been properly prepared from those financial statements. 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 full financial statements.

Opinion

In our opinion, the company is entitled under sections 247 and 247A of the Companies Act 1985 to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985 in respect of the year ended 31 March 2004 and the abbreviated accounts which comprise the abbreviated balance sheet, accounting policies and the related notes have been properly prepared in accordance with those provisions.

31 Castle Street
High Wycombe
Buckinghamshire
HP13 6RU

23 December 2004



MACINTYRE HUDSON
Chartered Accountants
& Registered Auditors

FilmLight Limited

Abbreviated Balance Sheet

31 March 2004

	Note	2004 £	2003 £
Fixed assets	1		
Intangible assets		210,016	245,526
Tangible assets		<u>409,577</u>	<u>82,768</u>
		619,593	328,294
 Current assets			
Stocks		106,726	4,751
Debtors		1,530,632	929,652
Cash at bank and in hand		<u>255,121</u>	<u>42,536</u>
		1,892,479	976,939
Creditors: amounts falling due within one year	2	<u>1,641,083</u>	<u>758,966</u>
Net current assets		251,396	217,973
Total assets less current liabilities		870,989	546,267
 Creditors: amounts falling due after more than one year	3	55,768	-
 Provisions for liabilities and charges		49,000	4,185
		<u>£766,221</u>	<u>£542,082</u>
 Capital and reserves			
Called-up equity share capital	4	298,383	298,383
Share premium account		136,617	136,617
Revaluation reserve		39,000	52,000
Profit and loss account		<u>292,221</u>	<u>55,082</u>
Shareholders' funds		<u>£766,221</u>	<u>£542,082</u>

These abbreviated accounts 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 8th Dec 2004 and are signed on their behalf by:


Mr P Stothart

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

FilmLight Limited

Accounting Policies

Year ended 31 March 2004

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Service contract income is recognised as invoiced.

Hardware sales income equivalent to cost of sales is recognised when the ordered goods are substantially complete and ready for shipment. The margin is recognised after shipment and on acceptance.

Government grants are recognised in the profit and loss account so as to match them with the expenditure towards which they are intended to contribute.

Grants received which relate to capitalised research and development costs are netted off against that expenditure.

Grants received in relation to capital expenditure are deferred and recognised over the period of the useful economic life of the assets.

Deferred income represents amounts invoiced for hardware not yet shipped or installed.

Research and development

Development expenditure incurred on clearly defined projects, with separately identifiable expenditure and whose outcome can be assessed with reasonable certainty as to technical feasibility and ultimate commercial viability, is carried forward. Amortisation is charged from commencement of commercial production over the lesser of the life of the project or three years.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Knowhow	- over 20 years
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Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Plant and machinery	- over 5 years
Furniture and fittings	- over 4 years
Equipment	- over 4 years

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.

FilmLight Limited

Accounting Policies *(continued)*

Year ended 31 March 2004

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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

Deferred tax 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 pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

FilmLight Limited

Notes to the Abbreviated Accounts

Year ended 31 March 2004

1. Fixed assets

	Intangible assets £	Tangible assets £	Total £
Cost or valuation			
At 1 April 2003	255,026	99,804	354,830
Additions	—	365,677	365,677
At 31 March 2004	255,026	465,481	720,507
Depreciation			
At 1 April 2003	9,500	17,036	26,536
Charge for year	35,510	38,868	74,378
At 31 March 2004	45,010	55,904	100,914
Net book value			
At 31 March 2004	£210,016	£409,577	£619,593
At 31 March 2003	£245,526	£82,768	£328,294

2. Creditors: amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2004 £	2003 £
Bank loans and overdrafts	<u>54,232</u>	<u>-</u>

3. Creditors: amounts falling due after more than one year

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2004 £	2003 £
Bank loans and overdrafts	<u>55,768</u>	<u>-</u>

4. Share capital

Authorised share capital:

	2004 £	2003 £
1,000,000 Ordinary shares of £0.50 each	<u>500,000</u>	<u>500,000</u>

Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
Ordinary shares of £0.50 each	<u>596,766</u>	<u>298,383</u>	<u>596,766</u>	<u>298,383</u>

5. Related party transactions

During the year the company paid £9,800 to Mr M Harris, the company secretary, for payroll and secretarial services.

find us:



MacIntyre Hudson

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Internet address:

www.macintyreHUDSON.co.uk

Email address:

info@macintyreHUDSON.co.uk

Office locations:

Bedford

Equipoise House
Grove Place
Bedford MK40 3LE
T (01234) 268761
F (01234) 346801

Chelmsford

Moulsham Court
39 Moulsham Street
Chelmsford CM2 0HY
T (01245) 353177
F (01245) 252877

High Wycombe

31 Castle Street
High Wycombe
Bucks HP13 6RU
T (01494) 441226
F (01494) 465591

Leicester

Lyndale House, Ervington Court
Harcourt Way
Meridian Business Park
Leicester LE19 1WL
T (0116) 289 4289
F (0116) 289 4321

London City

Greenwood House
4-7 Salisbury Court
London EC4Y 8BT
T (020) 7583 7575
F (020) 7583 2081

London North

Euro House
1394 High Road
London N20 9YZ
T (020) 8446 0922
F (020) 8446 7686

Milton Keynes

Moorgate House
201 Silbury Boulevard
Milton Keynes MK9 1LZ
T (01908) 662255
F (01908) 678247

Northampton

Peterbridge House
The Lakes
Northampton NN4 7HB
T (01604) 624011
F (01604) 230079

Peterborough

8-12 Priestgate
Peterborough
PE1 1JA
T (01733) 568491
F (01733) 555548



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Key contacts at specialist companies:

**MacIntyre Hudson
Corporate Finance Ltd**

Corporate Finance
Mike Kay
M: 07769 740207
Rabby Persaud
M: 07799 587910

**MacIntyre Advisory
Services Ltd**

Finance and management
training and consultancy
Nicki Cole
T: 020 7583 7575

Carrwood MacIntyre Ltd

Independent financial advisers
Contact your local office –
see details above

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