

REGISTERED NUMBER: 03917536

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007
FOR
FILMLIGHT LIMITED**

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FILMLIGHT LIMITED
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FOR THE YEAR ENDED 31 MARCH 2007

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FILMLIGHT LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2007

DIRECTORS.

S Chapman
M Lempp
P Stothart
M Harris

SECRETARY:

M Harris

REGISTERED OFFICE:

14-15 Manette Street
London
W1D 4AP

REGISTERED NUMBER:

03917536

AUDITORS:

Wilkins Kennedy
Registered Auditors
Bridge House
London Bridge
London
SE1 9QR

FILMLIGHT LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2007

The directors present their report with the financial statements of the company for the year ended 31 March 2007

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of continued to be the development, manufacturer and supply of digital systems to the world's leading producers to feature films

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements

DIVIDENDS

No interim dividend was paid during the year The directors recommend a final dividend of 17 per share

The total distribution of dividends for the year ended 31 March 2007 will be £101,020

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2006 to the date of this report

S Chapman
M Lempp
P Stothart
M Hams

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) The financial statements are required by law to 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 then apply them consistently,
- make judgements and estimates that 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 and to enable them to ensure that the financial statements comply with the Companies Act 1985 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

FILMLIGHT LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2007**

AUDITORS

The auditors, Wilkins Kennedy, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985

ON BEHALF OF THE BOARD:


P Stothart - Director

30 January 2008

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF FILMLIGHT LIMITED

We have audited the financial statements of FilmLight Limited for the year ended 31 March 2007 on pages six to eighteen. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the 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.

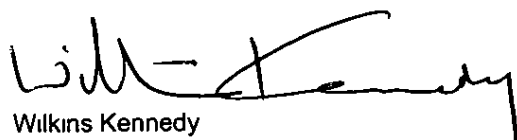
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
FILMLIGHT LIMITED**

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements



Wilkins Kennedy
Registered Auditors
Bridge House
London Bridge
London
SE1 9QR

30 January 2008

FILMLIGHT LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2007

	Notes	2007 £	£	2006 £	£
TURNOVER			8,429,002		7,026,363
Cost of sales			<u>4,234,843</u>		<u>3,238,223</u>
GROSS PROFIT			4,194,159		3,788,140
Distribution costs		80,577		191,610	
Administrative expenses		<u>3,757,224</u>		<u>3,268,428</u>	
			<u>3,837,801</u>		<u>3,460,038</u>
OPERATING PROFIT	3		356,358		328,102
Interest receivable and similar income			<u>-</u>		<u>3,660</u>
			356,358		331,762
Interest payable and similar charges	4		<u>43,247</u>		<u>12,408</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			313,111		319,354
Tax on profit on ordinary activities	5		<u>(105,667)</u>		<u>(91,796)</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			<u><u>418,778</u></u>		<u><u>411,150</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year

The notes form part of these financial statements

FILMLIGHT LIMITED

**BALANCE SHEET
31 MARCH 2007**

		2007		2006	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	7		142,500		152,000
Tangible assets	8		333,777		379,387
Investments	9		<u>1</u>		<u>1</u>
			476,278		531,388
 CURRENT ASSETS					
Stocks	10	2,228,575		935,183	
Debtors	11	2,788,366		2,606,027	
Cash at bank and in hand		<u>144,223</u>		<u>141,712</u>	
		5,161,164		3,682,922	
CREDITORS					
Amounts falling due within one year	12	<u>3,715,773</u>		<u>2,491,309</u>	
NET CURRENT ASSETS			<u>1,445,391</u>		<u>1,191,613</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,921,669		1,723,001
 CREDITORS					
Amounts falling due after more than one year	13		(101,766)		(212,768)
PROVISIONS FOR LIABILITIES	16		<u>(54,812)</u>		<u>(62,900)</u>
NET ASSETS			<u>1,765,091</u>		<u>1,447,333</u>
 CAPITAL AND RESERVES					
Called up share capital	17		298,383		298,383
Share premium	18		136,617		136,617
Revaluation reserve	18		13,000		13,000
Profit and loss account	18		<u>1,317,091</u>		<u>999,333</u>
SHAREHOLDERS' FUNDS	19		<u>1,765,091</u>		<u>1,447,333</u>

The financial statements were approved by the Board of Directors on 30 January 2008 and were signed on its behalf by


P Stothart - Director

The notes form part of these financial statements

FILMLIGHT LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2007

	Notes	£	2007 £	£	2006 £
Net cash outflow from operating activities	1		(381,498)		(356,286)
Returns on investments and servicing of finance	2		(43,247)		(8,748)
Taxation			185,265		10
Capital expenditure	2		(72,011)		(91,927)
Equity dividends paid			<u>(101,020)</u>		<u>(100,000)</u>
			(412,511)		(556,951)
Financing	2		<u>415,022</u>		<u>321,522</u>
Increase/(Decrease) in cash in the period			<u>2,511</u>		<u>(235,429)</u>
Reconciliation of net cash flow to movement in net debt	3				
Increase/(Decrease) in cash in the period			2,511		(235,429)
Cash inflow from increase in debt and lease financing			<u>(415,022)</u>		<u>(321,522)</u>
Change in net debt resulting from cash flows			<u>(412,511)</u>		<u>(556,951)</u>
Movement in net debt in the period			<u>(412,511)</u>		<u>(556,951)</u>
Net (debt)/funds at 1 April			<u>(283,785)</u>		<u>273,166</u>
Net debt at 31 March			<u>(696,296)</u>		<u>(283,785)</u>

The notes form part of these financial statements

FILMLIGHT LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2007**

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2007 £	2006 £
Operating profit	356,358	328,102
Depreciation charges	127,121	125,974
Increase in stocks	(1,293,392)	(654,527)
Increase in debtors	(270,025)	(822,815)
Increase in creditors	<u>698,440</u>	<u>666,980</u>
Net cash outflow from operating activities	<u>(381,498)</u>	<u>(356,286)</u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2007 £	2006 £
Returns on investments and servicing of finance		
Interest received	-	3,660
Interest paid	(34,700)	(8,954)
Interest element of hire purchase payments	<u>(8,547)</u>	<u>(3,454)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(43,247)</u>	<u>(8,748)</u>
Capital expenditure		
Purchase of tangible fixed assets	<u>(72,011)</u>	<u>(91,927)</u>
Net cash outflow for capital expenditure	<u>(72,011)</u>	<u>(91,927)</u>
Financing		
New loans in year	636,022	332,549
Loan repayments in year	(291,230)	-
Capital repayments in year	<u>70,230</u>	<u>(11,027)</u>
Net cash inflow from financing	<u>415,022</u>	<u>321,522</u>

The notes form part of these financial statements

FILMLIGHT LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2007**

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1/4/06 £	Cash flow £	At 31/3/07 £
Net cash			
Cash at bank and in hand	<u>141,712</u>	<u>2,511</u>	<u>144,223</u>
	<u>141,712</u>	<u>2,511</u>	<u>144,223</u>
Debt			
Hire purchase	(42,948)	(70,230)	(113,178)
Debts falling due within one year	(186,853)	(439,638)	(626,491)
Debts falling due after one year	<u>(195,696)</u>	<u>94,846</u>	<u>(100,850)</u>
	<u>(425,497)</u>	<u>(415,022)</u>	<u>(840,519)</u>
Total	<u>(283,785)</u>	<u>(412,511)</u>	<u>(696,296)</u>

The notes form part of these financial statements

FILMLIGHT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

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.

Governments 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 which relate 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.

Amortisation

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

Knowhow - over 20 years

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Long leasehold	- Over 4 years
Plant and machinery	- Straight line over 5 years
Fixtures and fittings	- Over 4 years
Computer 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.

Stocks

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

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed 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 transaction. Exchange differences are taken into account in arriving at the operating result.

FILMLIGHT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2007**

1 ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Pensions

The company operates a defined contribution pension scheme Contributions payable for the year are charged in the profit and loss account

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a medium-sized group The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts

Employee share schemes

Share schemes are accounted for in line with UITF 17 Employee Share Schemes The intrinsic value of the shares is charged to the profit and loss account over the vesting period

2 STAFF COSTS

	2007	2006
	£	£
Wages and salaries	2,261,105	1,880,382
Social security costs	<u>274,972</u>	<u>202,529</u>
	<u><u>2,536,077</u></u>	<u><u>2,082,911</u></u>

The average monthly number of employees during the year was as follows

	2007	2006
Production staff	36	37
Administrative staff	4	4
Management staff	<u>3</u>	<u>3</u>
	<u><u>43</u></u>	<u><u>44</u></u>

FILMLIGHT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2007**

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2007 £	2006 £
Hire of plant and machinery	119,137	3,245
Other operating leases	190,861	105,058
Depreciation - owned assets	117,621	116,474
Knowhow amortisation	9,500	9,500
Audit fee	6,260	5,500
Foreign exchange differences	<u>(18,537)</u>	<u>7,109</u>
 Directors' emoluments	 <u>258,395</u>	 <u>265,382</u>

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u>3</u>	<u>3</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows

	2007 £	2006 £
Emoluments etc	<u>108,000</u>	<u>134,488</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2007 £	2006 £
Bank loan interest	34,700	8,954
Hire purchase	<u>8,547</u>	<u>3,454</u>
	<u>43,247</u>	<u>12,408</u>

5 TAXATION

Analysis of the tax credit

The tax credit on the profit on ordinary activities for the year was as follows

	2007 £	2006 £
Current tax		
UK corporation tax	(97,579)	(110,696)
Deferred tax	<u>(8,088)</u>	<u>18,900</u>
Tax on profit on ordinary activities	<u>(105,667)</u>	<u>(91,796)</u>

UK corporation tax has been charged at 19%

FILMLIGHT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2007**

5 TAXATION - continued

Factors affecting the tax credit

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2007 £	2006 £
Profit on ordinary activities before tax	<u>313,111</u>	<u>319,354</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2006 - 30%)	59,491	95,806
Effects of:		
Disallowed expenses by rate of tax	1,464	14,530
Depreciation on revalued assets at rate of tax	2,470	3,900
Timing differences at rate of tax	(8,455)	10,692
Over provisions in prior year	(7,579)	(13,420)
Additional allowances for R&D credits	(144,970)	(221,224)
Rounding on tax charge	-	(980)
Current tax credit	<u>(97,579)</u>	<u>(110,696)</u>

6 DIVIDENDS

	2007 £	2006 £
Ordinary shares shares of £0.50 each		
Final	<u>101,020</u>	<u>-</u>

7 INTANGIBLE FIXED ASSETS

	Knowhow £	Research and development costs £	Totals £
COST			
At 1 April 2006 and 31 March 2007	<u>190,000</u>	<u>65,026</u>	<u>255,026</u>
AMORTISATION			
At 1 April 2006	38,000	65,026	103,026
Amortisation for year	<u>9,500</u>	-	<u>9,500</u>
At 31 March 2007	<u>47,500</u>	<u>65,026</u>	<u>112,526</u>
NET BOOK VALUE			
At 31 March 2007	<u>142,500</u>	-	<u>142,500</u>
At 31 March 2006	<u>152,000</u>	-	<u>152,000</u>

FILMLIGHT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2007**

7 INTANGIBLE FIXED ASSETS - continued

The £190,000 relates to technical knowhow acquired with the employees of firelight It will be amortised over twenty years

The £65,026 relates to development costs of the Troubling product The asset is now fully written down

8 TANGIBLE FIXED ASSETS

	Long leasehold £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 April 2006	26,400	454,436	51,373
Additions	<u>-</u>	<u>14,695</u>	<u>-</u>
At 31 March 2007	<u>26,400</u>	<u>469,131</u>	<u>51,373</u>
DEPRECIATION			
At 1 April 2006	2,057	205,229	27,838
Charge for year	<u>6,600</u>	<u>78,264</u>	<u>2,267</u>
At 31 March 2007	<u>8,657</u>	<u>283,493</u>	<u>30,105</u>
NET BOOK VALUE			
At 31 March 2007	<u>17,743</u>	<u>185,638</u>	<u>21,268</u>
At 31 March 2006	<u>24,343</u>	<u>249,207</u>	<u>23,535</u>
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 April 2006	-	130,597	662,806
Additions	<u>9,736</u>	<u>47,580</u>	<u>72,011</u>
At 31 March 2007	<u>9,736</u>	<u>178,177</u>	<u>734,817</u>
DEPRECIATION			
At 1 April 2006	-	48,295	283,419
Charge for year	<u>4,057</u>	<u>26,433</u>	<u>117,621</u>
At 31 March 2007	<u>4,057</u>	<u>74,728</u>	<u>401,040</u>
NET BOOK VALUE			
At 31 March 2007	<u>5,679</u>	<u>103,449</u>	<u>333,777</u>
At 31 March 2006	<u>-</u>	<u>82,302</u>	<u>379,387</u>

Tangible fixed assets include £65,000 of assets which were acquired at no cost but have been valued at 365,000 as an estimate of their value to the business

FILMLIGHT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2007**

9 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 April 2006 and 31 March 2007	<u>1</u>
NET BOOK VALUE	
At 31 March 2007	<u>1</u>
At 31 March 2006	<u>1</u>

The company's investments at the balance sheet date in the share capital of companies include the following

FilmLight Incorporated

Country of incorporation USA

Nature of business Film equipment

Class of shares	%
Ordinary	holding 100 00

10 STOCKS

	2007 £	2006 £
Stocks	<u>2,228,575</u>	<u>935,183</u>

11 DEBTORS

	2007 £	2006 £
Amounts falling due within one year		
Trade debtors	1,987,494	1,541,982
Other debtors	53,090	60,918
Tax	90,000	177,686
VAT	213,672	151,017
Prepayments and accrued income	<u>198,991</u>	<u>184,313</u>
	<u>2,543,247</u>	<u>2,115,916</u>
Amounts falling due after more than one year		
Amounts owed by group undertakings	<u>245,119</u>	<u>490,111</u>
Aggregate amounts	<u>2,788,366</u>	<u>2,606,027</u>

FILMLIGHT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2007**

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£	£
Bank loans and overdrafts (see note 14)	626,491	186,853
Hire purchase contracts (see note 15)	112,262	25,876
Trade creditors	1,698,278	1,364,643
Social security and other taxes	106,875	54,525
Other creditors	50,542	138,883
Accruals and deferred income	<u>1,121,325</u>	<u>720,529</u>
	<u>3,715,773</u>	<u>2,491,309</u>

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2007	2006
	£	£
Bank loans (see note 14)	100,850	195,696
Hire purchase contracts (see note 15)	<u>916</u>	<u>17,072</u>
	<u>101,766</u>	<u>212,768</u>

14 LOANS

An analysis of the maturity of loans is given below

	2007	2006
	£	£
Amounts falling due within one year or on demand		
Bank loans	<u>626,491</u>	<u>186,853</u>
Amounts falling due between one and two years		
Bank loans - 1-2 years	<u>100,850</u>	<u>195,696</u>

15 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	2007	2006
	£	£
Net obligations repayable		
Within one year	112,262	25,876
Between one and five years	<u>916</u>	<u>17,072</u>
	<u>113,178</u>	<u>42,948</u>

16 PROVISIONS FOR LIABILITIES

	2007	2006
	£	£
Deferred tax	<u>54,812</u>	<u>62,900</u>

FILMLIGHT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2007**

16 PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 April 2006	62,900
Movement in deferred tax	<u>(8,088)</u>
Balance at 31 March 2007	<u>54,812</u>

17 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value £0 50	2007 £ <u>500,000</u>	2006 £ <u>500,000</u>
1,000,000	Ordinary shares			

Allotted, issued and fully paid Number	Class	Nominal value £0 50	2007 £ <u>298,383</u>	2006 £ <u>298,383</u>
596,766	Ordinary shares			

18 RESERVES

	Profit and loss account £	Share premium £	Revaluation reserve £	Totals £
At 1 April 2006	999,333	136,617	13,000	1,148,950
Profit for the year	418,778			418,778
Dividends	<u>(101,020)</u>			<u>(101,020)</u>
At 31 March 2007	<u>1,317,091</u>	<u>136,617</u>	<u>13,000</u>	<u>1,466,708</u>

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 £ <u>418,778</u> <u>(101,020)</u>	2006 £ 411,150 -
Profit for the financial year		
Dividends		
Net addition to shareholders' funds	317,758	411,150
Opening shareholders' funds	<u>1,447,333</u>	<u>1,036,183</u>
Closing shareholders' funds	<u>1,765,091</u>	<u>1,447,333</u>