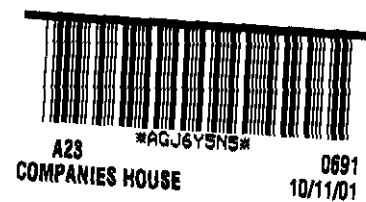


BROADCAST DEVELOPMENTS LIMITED

FINANCIAL STATEMENTS

31 MARCH 2001

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BROADCAST DEVELOPMENTS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2001

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BROADCAST DEVELOPMENTS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors	C C Lambert J Babington
Company secretary	J Babington
Registered office	Unit A8 Poplar Business Park 10 Prestons Road London E14 9RL
Auditors	Blick Rothenberg Chartered Accountants Registered Auditors 12 York Gate Regent's Park London NW1 4QS

BROADCAST DEVELOPMENTS LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2001

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2001.

Principal activity and business review

The principal activity of the company during the year was the manufacture and sale of teleprompting equipment.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

Results and dividends

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

It is proposed to transfer the retained profit for the year of £126,054 to reserves.

Research and development

The company is continuing to develop its products for use around the world by providing additional foreign languages and further newsroom interfaces.

The directors and their interests in shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were:

	Ordinary shares of £1 each	
	At 31 March 2001	At 1 April 2000
C C Lambert	1,004	1,004
J Babington	<u>52</u>	<u>52</u>

Fixed assets

The changes in fixed assets during the year are explained in notes 9, 10 and 11 to the financial statements.

Directors' responsibilities

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 7 to 8, and then apply them consistently;

make judgements and estimates that are reasonable and prudent.

The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

BROADCAST DEVELOPMENTS LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2001

Directors' responsibilities *(continued)*

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. The directors 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.

Auditors

At the invitation of the directors, Blick Rothenberg were appointed as auditors and a resolution to re-appoint them for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed by order of the directors



C C LAMBERT

Director

18/10/01

BROADCAST DEVELOPMENTS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 31 MARCH 2001

We have audited the financial statements on pages 5 to 16 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 to 8.

Respective responsibilities of the directors and the auditors

As described on pages 2 to 3, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2001 and of the profit of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

12 York Gate
Regent's Park
London
NW1 4QS

18 October 2001



BLICK ROTHENBERG
Chartered Accountants
Registered Auditors

BROADCAST DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2001

	Note	2001 £	2000 £
Turnover	2	1,684,313	1,602,069
Cost of sales		(1,187,382)	(1,119,639)
Gross profit		496,931	482,430
Administrative expenses		(343,973)	(367,426)
Other operating income		20,821	16,378
Operating profit	3	173,779	131,382
Interest receivable and similar income	6	122	267
Interest payable and similar charges	7	(16,610)	(20,654)
Profit on ordinary activities before taxation		157,291	110,995
Tax on profit on ordinary activities	8	(31,237)	(24,861)
Retained profit for the financial year		126,054	86,134

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

BROADCAST DEVELOPMENTS LIMITED

BALANCE SHEET

31 MARCH 2001

	Note	£	2001 £	£	2000 £
Fixed assets					
Intangible assets	9		85,193		99,707
Tangible assets	10		50,781		66,903
Investments	11		10,063		66
			<u>146,037</u>		<u>166,676</u>
Current assets					
Stocks	12	208,070		127,370	
Debtors	13	568,985		503,760	
Cash at bank		1,269		377	
		<u>778,324</u>		<u>631,507</u>	
Creditors: Amounts falling due within one year	14	<u>(484,454)</u>		<u>(453,877)</u>	
Net current assets			<u>293,870</u>		<u>177,630</u>
Total assets less current liabilities			<u>439,907</u>		<u>344,306</u>
Creditors: Amounts falling due after more than one year	15		<u>(3,855)</u>		<u>(32,524)</u>
			<u>436,052</u>		<u>311,782</u>
Provisions for liabilities and charges					
Deferred taxation	16		<u>(28,191)</u>		<u>(29,975)</u>
			<u>407,861</u>		<u>281,807</u>
Capital and reserves					
Called-up equity share capital	20		1,221		1,221
Share premium account	21		43,979		43,979
Profit and loss account	21		362,661		236,607
Shareholders' funds	22		<u>407,861</u>		<u>281,807</u>

These financial statements were approved by the directors on the 18/10/01 and are signed on their behalf by:


C C Lambert
Director

BROADCAST DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2001

1. Accounting policies

1.1 Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement under Financial Reporting Standard Number 1 "Cash Flow Statements"

1.2 Consolidation

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

1.3 Turnover

Turnover represents amounts receivable for the sale of teleprompting equipment, net of VAT.

1.4 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:

Research & development - 25% per annum

1.5 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:

Plant & machinery	- 25% to 33 1/3% straight line
Fixtures & fittings	- 25% to 33 1/3% straight line
Motor vehicles	- 33% reducing balance

1.6 Stocks

Stock and work in progress are valued at the lower of cost and net realisable value. Cost includes amounts incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price less any further costs that are expected to be incurred on disposal.

1.7 Hire purchase agreements

Assets held under hire purchase agreements and finance lease are capitalised and disclosed under tangible fixed assets at their fair value and depreciated over their useful economic lives. The capital element of the future payments is treated as a liability. The interest element is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding.

1.8 Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on a straight line basis over the period of the lease.

BROADCAST DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2001

1. Accounting policies *(continued)*

1.9 Deferred taxation

Deferred taxation is provided using the liability method on all timing differences, to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are only recognised if recovery without replacement by equivalent debit balances is reasonably certain.

1.10 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

1.11 Research and development projects

Expenditure on specific development projects is capitalised as an intangible fixed asset. All other expenditure on research and development is written off against profits in the year in which it is incurred. Amortisation of capitalised development expenditure commences with commercial production of the product.

2. Turnover

The turnover and profit before tax are attributable to the principal activity of the company.

An analysis of turnover is given below:

	2001 £	2000 £
United Kingdom	275,608	281,522
Rest of Europe	799,151	667,205
United States of America	265,087	182,102
Rest of the World	344,467	471,240
	<u>1,684,313</u>	<u>1,602,069</u>

3. Operating profit

Operating profit is stated after charging:

	2001 £	2000 £
Amortisation	31,237	65,483
Depreciation	32,121	8,172
Auditors' remuneration:		
- as auditors	12,480	7,094
Operating lease costs:		
- land and buildings	<u>14,218</u>	<u>14,218</u>

BROADCAST DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2001

4. Particulars of employees

The average number of staff (including directors) employed by the company during the financial year was:

	2001 Number	2000 Number
Production	9	8
Administrative	1	2
	<u>10</u>	<u>10</u>

The aggregate payroll costs of the above were:

	2001 £	2000 £
Wages and salaries	226,915	215,425
Social security costs	21,854	20,137
	<u>248,769</u>	<u>235,562</u>

5. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2001 £	2000 £
Emoluments	<u>87,258</u>	<u>70,011</u>

6. Interest receivable and similar income

	2001 £	2000 £
Bank interest receivable	<u>122</u>	<u>267</u>

7. Interest payable and similar charges

	2001 £	2000 £
Interest payable on bank borrowing	152	663
Finance charges	1,106	862
Other similar charges payable	15,352	19,129
	<u>16,610</u>	<u>20,654</u>

BROADCAST DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2001

8. Tax on profit on ordinary activities

	2001 £	2000 £
In respect of the year:		
Corporation tax based on the results for the year at 23.60% (2000 - 20.60%)	33,021	21,520
(Decrease)/Increase in deferred tax provision	(1,784)	3,348
	<u>31,237</u>	<u>24,868</u>
Adjustment in respect of previous years:		
Corporation tax	-	(7)
	<u>31,237</u>	<u>24,861</u>

9. Intangible fixed assets

	Research & development projects £
Cost	
At 1 April 2000	301,024
Additions	16,723
At 31 March 2001	<u>317,747</u>
Amortisation	
At 1 April 2000	201,317
Charge for the year	31,237
At 31 March 2001	<u>232,554</u>
Net book value	
At 31 March 2001	<u>85,193</u>
At 31 March 2000	<u>99,707</u>

BROADCAST DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2001

10. Tangible fixed assets

	Operating equipment £	Fixtures & fittings £	Motor vehicles £	Total £
Cost				
At 1 April 2000	5,481	107,555	11,336	124,372
Additions	11,523	4,476	-	15,999
Disposals	-	(53,893)	-	(53,893)
At 31 March 2001	17,004	58,138	11,336	86,478
Depreciation				
At 1 April 2000	2,470	44,566	10,433	57,469
Charge for the year	4,121	27,097	903	32,121
On disposals	-	(53,893)	-	(53,893)
At 31 March 2001	6,591	17,770	11,336	35,697
Net book value				
At 31 March 2001	10,413	40,368	-	50,781
At 31 March 2000	3,011	62,989	903	66,903

Included in net book value are the following amounts in relation to assets held under hire purchase and finance lease agreements:

	2001 £	2000 £
Net book value at end of year	10,753	13,049
Depreciation charge for the year	2,253	2,099

11. Investments

Shares in subsidiary undertakings:

	£
Cost	
At 1 April 2000	66
Additions	9,997
At 31 March 2001	10,063
Net book value	
At 31 March 2001	10,063
At 31 March 2000	66

BROADCAST DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2001

11. Investments *(continued)*

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

The company holds more than 20% of the equity of the following entities:

Company Subsidiary Undertakings	Country of registration or incorporation	Principal Activity	Class	Shares held %
Autoscript Limited	UK	Hire of equipment	Ordinary	100
Prompting Centre Limited	UK	Dormant	Ordinary	100
BDL Autoscript Inc.	USA	Sale of teleprompting equipment	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

Company Subsidiary undertakings	Capital & reserves £	Profit/(loss) for the year £
BDL Autoscript Inc.	(11,315)	37,733
Autoscript Limited	(41,103)	(34,993)
Prompting Centre Limited	2	-

12. Stocks

	2001 £	2000 £
Stocks and work in progress	208,070	127,370

13. Debtors

	2001 £	2000 £
Trade debtors	301,342	264,496
Amounts owed by group undertakings	228,030	194,209
Other debtors	8,179	37,157
Prepayments and accrued income	31,434	7,898
	568,985	503,760

Trade debtors includes factored debts of £243,818 (2000: £237,254).

Included in amounts due by group undertakings is an amount of £38,763 (2000: £58,763), which is repayable after more than one year.

BROADCAST DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2001

14. Creditors: Amounts falling due within one year

	2001 £	2000 £
Bank loans and overdrafts	19,546	18,557
Trade creditors	231,728	189,363
Amounts owed to group undertakings	63	63
Hire purchase agreements	4,140	4,140
Directors' loan accounts	-	6,329
Corporation tax	33,021	21,520
Other taxation and social security	6,290	6,296
Other creditors	158,709	187,203
Accruals and deferred income	30,957	20,406
	<u>484,454</u>	<u>453,877</u>

The bank overdraft is secured by fixed and floating charge on the company's assets.

Included in other creditors is £121,923 (2000: £164,785) in respect of factored debts.

15. Creditors: Amounts falling due after more than one year

	2001 £	2000 £
Other creditors	-	25,300
Hire purchase agreements	3,855	7,224
	<u>3,855</u>	<u>32,524</u>

16. Deferred taxation

	2001 £	2000 £
The movement in the deferred taxation provision during the year was:		
Provision brought forward	29,975	26,627
(Decrease)/increase in provision	(1,784)	3,348
Provision carried forward	<u>28,191</u>	<u>29,975</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2001 £	2000 £
Excess of taxation allowances over depreciation on fixed assets	6,893	6,045
Other timing differences	21,298	23,930
	<u>28,191</u>	<u>29,975</u>

BROADCAST DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2001

17. Obligations under hire purchase and finance lease agreements

The maturity of these amounts is as follows:

	2001 £	2000 £
Amounts payable within one year	4,140	4,140
Amounts payable between one and two years	3,855	7,224
	<u>7,995</u>	<u>11,364</u>

18. Commitments under operating leases

At 31 March 2001 the company had annual commitments under non-cancellable operating leases as set out below.

	2001 Land & buildings £	Other items £	2000 Land & buildings £	Other items £
Operating leases which expire:				
Within two to five years	-	19,727	-	6,192
After more than five years	22,750	-	19,450	-
	<u>22,750</u>	<u>19,727</u>	<u>19,450</u>	<u>6,192</u>

19. Related party disclosures and controlling party

At 31 March 2001, C C Lambert was owed £12,500 (2000: £40,500) and J Babington £2,800 (2000: £6,400). Interest paid on these two loans amounted to £2,603 and £356 respectively.

BROADCAST DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2001

19. Related party disclosures and controlling party (*continued*)

The following table details the material transactions which took place during year with related parties within the group and the balances outstanding at the year end.

Name of Related party	Relationship	Nature of transaction	Amount	Amount due (to)/from related party
2001			£	£
Autoscript Limited	Subsidiary	Loan	38,763	38,763
		Turnover	19,255	56,769
		Management charges receivable	16,800	-
Prompting Centre Limited	Subsidiary	Loan	2	(2)
BDL Autoscript Inc.	Subsidiary	Loan	61	(61)
		Turnover	267,452	129,498
		Management charges receivable	4,021	-
2000				
Autoscript Limited	Subsidiary	Loan	58,763	58,763
		Turnover	18,469	45,905
		Management charges receivable	16,800	-
Prompting Centre Limited	Subsidiary	Loan	2	(2)
BDL Autoscript Inc.	Subsidiary	Loan	61	(61)
		Turnover	182,102	89,541
		Management charges receivable	-	-

The company is under the control of C C Lambert.

BROADCAST DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2001

20. Share capital

Authorised share capital:

	2001 £	2000 £
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid:		
	2001 £	2000 £
1,221 Ordinary shares of £1 each	<u>1,221</u>	<u>1,221</u>

21. Reserves

	Share premium account £	Profit and loss account £
Balance brought forward	43,979	236,607
Profit for the year	-	126,054
Balance carried forward	<u>43,979</u>	<u>362,661</u>

22. Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Profit for the financial year	126,054	86,134
Opening shareholders' equity funds	<u>281,807</u>	<u>195,673</u>
Closing shareholders' equity funds	<u>407,861</u>	<u>281,807</u>