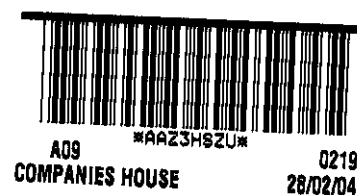


Charter Broadcast Limited
(formerly Pantherwood Limited)
Annual report and accounts
for the year ended 31 December 2002

Registered in England & Wales; number: 2594283



Charter Broadcast Limited (formerly Pantherwood Limited)

Annual report and accounts for the year ended 31 December 2002

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Charter Broadcast Limited (formerly Pantherwood Limited)

Directors' report for the year ended 31 December 2002

The directors present their annual report and the audited financial statements for the year ended 31 December 2002.

Principal activities and business review

The principal activity of the Company is the provision of management and other services to group companies and also, following the acquisition referred to below, the hire of video, sound and other equipment to the broadcast and corporate television industries.

On 31 December 2002, the Company acquired the trade, assets and liabilities of Cinevideo Limited and Pantherwood Limited (formerly Charter Broadcast Limited), both of which are fellow subsidiaries, assuming liabilities of £1,872,000 and consideration of £957,000 respectively (note 16).

The results of the Company continue to develop in line with expectations and will continue to do so for the foreseeable future.

On 5 February 2003, the company changed its name from Pantherwood Limited to Charter Broadcast Limited.

Results and dividends

The directors do not recommend the payment of a dividend (2001: £nil). The profit for the financial year of £385,000 (2001: loss £228,000) has been transferred to reserves.

Directors and their interests

The following directors held office during the year:

BD Day	(resigned 27 November 2003)
NJ Marshall	(resigned 27 November 2003)
DJ Carr	(appointed 21 February 2002, resigned 15 January 2004)
MJ Breen	(appointed 27 November 2003)
CEK Beddow	(appointed 27 November 2003)

The directors who held office at the end of the financial year did not have any interests in the ordinary shares of the Company.

The interests of the directors in the share capital of Evenser Group Limited, the Company's ultimate parent undertaking, are disclosed in the directors' report of that Company's financial statements.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently as explained on page 6 under Note 1 'Principal accounting policies'. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2002 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and 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.

Charter Broadcast Limited (formerly Pantherwood Limited)

Directors' report for the year ended 31 December 2002 (continued)

Auditors

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 25 April 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the annual general meeting.

By order of the board

A handwritten signature in black ink, appearing to be 'D Wakeley', with a large, stylized flourish extending to the right.

D Wakeley
Secretary
27 February 2004

Independent auditors' report to the members of Charter Broadcast Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes, excluding the proforma data included in note 18.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 1.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only of the directors' report.

Basis of audit 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 at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham
27 February 2004

Charter Broadcast Limited (formerly Pantherwood Limited)

Profit and loss account for the year ended 31 December 2002

	2002 £'000	2001 £'000
Turnover	58	64
Gross profit	58	64
Administrative expenses	(587)	(441)
Operating loss (note 2)	(529)	(377)
Amounts written off investments	(3,494)	-
Income from shares in group undertakings	4,408	139
Interest receivable and similar income (note 5)	-	10
Profit/(loss) on ordinary activities before taxation	385	(228)
Taxation (note 6)	-	-
Profit/(loss) for the year transferred to reserves (note 14)	385	(228)

The results for the year are wholly attributable to the continuing operations of the Company.

The Company has no recognised gains and losses other than those included in the profit and loss account above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the financial year above, and their historical cost equivalents.

Charter Broadcast Limited (formerly Pantherwood Limited)

Balance sheet as at 31 December 2002

	2002 £'000	2001 £'000
Fixed assets		
Tangible fixed assets (note 7)	4,490	-
Investments (note 8)	957	4,451
	5,447	4,451
Current assets		
Stocks (note 9)	3	-
Debtors (note 10)	3,313	738
Cash at bank and in hand	5,351	-
	8,667	738
Creditors: amounts falling due within one year (note 11)	(13,042)	(4,502)
Net current liabilities	(4,375)	(3,764)
Net assets	1,072	687
Capital and reserves		
Called up share capital (note 12)	1,600	1,600
Profit and loss account (note 13)	(528)	(913)
Equity shareholders' funds (note 14)	1,072	687

The financial statements on pages 4 to 16 were approved by the board of directors on 27 February 2004 and were signed on its behalf by:



MJ Breen
Director

Charter Broadcast Limited (formerly Pantherwood Limited)

Notes to the financial statement for the year ended 31 December 2002

1 Principal accounting policies

Basis of preparation

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

The principal accounting policies consistently applied in the preparation of the accounts of the Company are described below.

Adoption of new accounting standards

The company has adopted Financial Reporting Standard 19 'Deferred Tax'. There has been no effect of this change in accounting policy to the comparative figures.

Basis of consolidation

The financial statements contain information about Charter Broadcast Limited as an individual Company and do not contain consolidated financial information as the parent of a group. The Company is exempt under Section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Evenser Group Limited, a Company registered in England and Wales.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental expense of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual value, by equal annual instalments over their estimated useful lives.

Plant and hire equipment	5 years
Motor vehicles	3 to 4 years
Fixtures and fittings	5 years
Leasehold improvements	Over the unexpired life of the lease

Tangible fixed assets acquired as part of businesses acquired are depreciated over the remaining estimated useful economic lives of those assets.

Leases

Costs in respect of operating leases are charged to the profit and loss account on a straight-line basis over the life of the lease.

Hire purchase agreements and finance leases which transfer to the Company substantially all the benefits and risks of ownership of an asset are treated as if they had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitment is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit so as to give a constant periodic rate of charge on the remaining balance outstanding at each accounting period. Assets held under hire purchase agreements and finance lease are depreciated over their useful economic lives.

Charter Broadcast Limited (formerly Pantherwood Limited)

Notes to the financial statements for the year ended 31 December 2002 (continued)

1 Principal accounting policies (continued)

Investments

Fixed asset investments are shown at cost less, where appropriate, provision for impairment.

Turnover

Turnover during the year represented amounts (excluding value added tax) derived from the provision of management services to group undertakings during the year. The Company only undertakes one class of business and all income originates in the United Kingdom.

Foreign currency

Trading results denominated in foreign currencies are translated into sterling at average rates of exchange during the year, except for material exceptional items which are translated at the rate on the date of the transaction. Monetary assets and liabilities are translated at the rates of exchange ruling at the year end except where rates of exchange are fixed under contractual arrangements. Non-monetary assets and liabilities are translated at the historic rate.

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. Provision is made where necessary for obsolete, slow moving and defective stock.

Taxation including deferred taxation

The charge for taxation is based on the profit/loss for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is provided on all timing differences in accordance with FRS19, "Deferred tax". Deferred tax assets are recognised to the extent they are regarded as recoverable. Deferred tax assets and liabilities are not discounted.

Pensions

The Company operates a defined contribution scheme. The assets of the scheme are held separately from those of the Company in independently administered funds. Contributions to the scheme are charged to the profit and loss account in the year in which accrued.

Cash flow statement and related party disclosures

The Company is a subsidiary undertaking of Evenser Group Limited, where 90% or more of the voting rights are controlled within the group. The Company is included in the consolidated financial statements of Evenser Group Limited, which are publicly available from Companies House. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The Company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of Evenser Group Limited.

Charter Broadcast Limited (formerly Pantherwood Limited)

Notes to the financial statement for the year ended 31 December 2002 (continued)

2 Operating loss

The fees for audit services are borne by the ultimate parent undertaking and are disclosed in the group consolidated financial statements.

3 Directors' emoluments

The emoluments of the directors were paid by the ultimate parent undertaking Evenser Group Limited and are disclosed in the financial statements of that entity. The ultimate parent undertaking did not make recharges to the Company in respect of these emoluments.

4 Employee information

	2002 £'000	2001 £'000
Staff costs		
Wages and salaries	338	334
Social security costs	28	43
Pension costs	7	36
	373	413

Staff costs represent recharges from the ultimate parent undertaking for services provided by its employees who worked for the Company during the year.

The average monthly number of persons employed by the Company during the year was 3 (2001: 3).

5 Interest receivable and similar income

	2002 £'000	2001 £'000
Interest receivable from group undertakings	-	10

Charter Broadcast Limited (formerly Pantherwood Limited)

Notes to the financial statement for the year ended 31 December 2002 (continued)

6 Taxation on profit/(loss) on ordinary activities

There was no tax charge for the year ended 31 December 2002 (2001: £nil) due to the availability of taxable losses within the Evenser Group.

The tax assessed for the period is lower (2001: lower credit) than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2002	2001
	£'000	£'000
Profit/(loss) on ordinary activities before tax	385	(228)
Profit/(loss) on ordinary activities multiplied by average standard rate of UK corporation tax of 30%	116	(68)
Effects of:		
Expenses not deductible for tax purposes	1,049	-
Income not charged for tax purposes (being dividend income)	(1,322)	-
Excess of capital allowances over depreciation	(1)	(1)
Group relief claimed not paid	158	67
Current tax charge for the period	-	-

At the balance sheet date there was an unprovided deferred tax asset of £5,636,000 (2001: £6,000) consisting mainly of accelerated capital allowances of £5,596,000 (2001: £nil). This asset has not been recognised as, in the opinion of the directors, it is unlikely to be utilised in the foreseeable future due to the availability of taxable losses within the Evenser Group.

Charter Broadcast Limited (formerly Pantherwood Limited)

Notes to the financial statement for the year ended 31 December 2002 (continued)

7 Tangible fixed assets

	Leasehold improve- ments	Plant and hire equipment	Motor vehicles	Fixtures and fittings	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 January 2002	-	-	-	-	-
Acquired (note 16)	339	19,402	120	173	20,034
At 31 December 2002	339	19,402	120	173	20,034
Aggregate depreciation					
At 1 January 2002	-	-	-	-	-
Acquired (note 16)	63	15,248	82	151	15,544
At 31 December 2002	63	15,248	82	151	15,544
Net book value at 31 December 2002	276	4,154	38	22	4,490
Net book value at 31 December 2001	-	-	-	-	-

Charter Broadcast Limited (formerly Pantherwood Limited)

Notes to the financial statement for the year ended 31 December 2002 (continued)

8 Investments

	Shares in group undertakings £'000
At 1 January 2002 and 31 December 2002	4,451
Amounts written off	
At 1 January 2002	-
Provided in the year	3,494
At 31 December 2002	3,494
Net book value at 31 December 2002	957
Net book value at 31 December 2001	4,451

The following information relates to the subsidiary undertakings of the Company:

Name of company	Proportion of ordinary shares held		
	Directly	Indirectly	Nature of business
	%	%	
Companies registered in England and Wales			
Cinevideo Limited	100	-	Hire of video, sound and other equipment to the TV broadcast industry
Pantherwood Limited (formerly Charter Broadcast Limited)	100	-	Hire of TV broadcast equipment and provision of technical services
Charter Broadcast Projects Limited	100	-	Dormant
Charter Murphil Limited	100	-	Non-trading
Companies incorporated in the USA			
Charter Broadcast North America, Inc.	100	-	Provision of technical services to the TV broadcast industry
Companies incorporated in Germany			
Charter Broadcast GmbH	99.9	0.1	Hire of TV broadcast equipment

There is only one class of share for each subsidiary undertaking. All the above companies operated principally in their country of incorporation or registration.

Charter Broadcast Limited (formerly Pantherwood Limited)

Notes to the financial statement for the year ended 31 December 2002 (continued)

9 Stock

	2002 £'000	2001 £'000
Finished goods and goods for resale	3	-

10 Debtors

	2002 £'000	2001 £'000
Trade debtors	752	4
Amounts owed by group undertakings	2,139	730
Other debtors	106	-
Prepayments and accrued income	316	4
	3,313	738

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

11 Creditors: amounts falling due within one year

	2002 £'000	2001 £'000
Bank overdrafts	1,149	534
Trade creditors	529	5
Amounts owed to group undertakings	10,522	3,955
Other taxes and social security	287	-
Accruals and deferred income	555	8
	13,042	4,502

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

Charter Broadcast Limited (formerly Pantherwood Limited)

Notes to the financial statement for the year ended 31 December 2002 (continued)

12 Called up share capital

	2002 £'000	2001 £'000
Authorised		
Ordinary shares of £1 each	2,000	2,000
Allotted, called up and fully paid		
Ordinary shares of £1 each	1,600	1,600

13 Profit and loss account

	£'000
At 1 January 2002	(913)
Profit for the financial year	385
At 31 December 2002	(528)

14 Reconciliation of movements in equity shareholders' funds

	2002 £'000	2001 £'000
Profit/(loss) for the financial year	385	(228)
Net movement in equity shareholders' funds	385	(228)
Equity shareholders' funds at 1 January 2002	687	915
Equity shareholders' funds at 31 December 2002	1,072	687

15 Contingent liabilities

The Company is party to a guarantee and debenture entered into by its ultimate parent undertaking Evenser Group Limited with Royal Bank of Scotland plc whereby any actual, contingent, present and/or future obligations and liabilities of Evenser Group Limited and its UK subsidiary undertakings ("the Group") are secured by first fixed and floating charges over the assets of the Group.

The Group has entered into bank cross guarantees and debentures with Royal Bank of Scotland plc secured by first fixed and floating charges over the assets of the Group in respect of the UK Group bank borrowings. At 31 December 2002 these bank borrowings amounted to £33,860,000 (2001: £34,893,000).

Charter Broadcast Limited (formerly Pantherwood Limited)

Notes to the financial statement for the year ended 31 December 2002 (continued)

16 Acquisitions

On 31 December 2002, the company purchased at net book value the trade, assets and liabilities of Cinevideo Limited and Pantherwood Limited (formerly Charter Broadcast Limited), both of which are fellow subsidiaries. Details of the assets and liabilities acquired are set out below. The directors consider the net book value of the assets and liabilities to represent their fair value.

	Cinevideo Limited	Pantherwood Limited	Total
	£'000	£'000	£'000
Tangible fixed assets	2,500	1,990	4490
Stock	-	3	3
Debtors	785	601	1,386
Cash	2,974	2,377	5,351
Creditors: amounts falling due within one year	(8,131)	(4,014)	(12,145)
Total (liabilities)/assets transferred/acquired	(1,872)	957	915

The consideration (received)/paid of (£1,872,000) and £957,000 were settled through the inter-company accounts.

17 Parent undertaking and controlling party

The Company's ultimate immediate parent undertaking is Evenser Group Limited, a Company registered in England and Wales. The results of the Company are included in the Group accounts of Evenser Group Limited for the year ended 31 December 2002. The financial statements of Evenser Group Limited may be obtained from the Company at its registered office: 3 Elm Court, Arden Street, Stratford-upon-Avon, Warwickshire, CV37 6PA.

Charter Broadcast Limited (formerly Pantherwood Limited)

Notes to the financial statement for the year ended 31 December 2002 (continued)

18 Post balance sheet events

- (a) On 25 February 2004 Evenser Group Limited and its subsidiaries ("the Group") together with its principal shareholders and lending banks agreed upon the terms of a financial restructuring whereby.
- i) The Group's audio visual and broadcast equipment interests, including the company, were transferred to a new company, Blitz Charter Group Limited ("Blitz Charter") controlled by funds managed by Candover Investments Plc, which are independent of the Group;
 - ii) £10 million of the Evenser Group Limited senior debt and part of the Evenser Group Limited revolving credit facility were transferred to Blitz Charter;
 - iii) All of the senior unsecured subordinated loan stock in Evenser Group Limited amounting to some £70 million including rolled up interest was converted into deferred ordinary shares in the Evenser Group Limited;
 - iv) All of the junior unsecured subordinated loan stock amounting to £224,000 was redeemed by the Evenser Group Limited at a cost of £22,400;
 - v) Certain directors, including members of the executive management of Blitz Charter agreed to resign from the Evenser Group Limited Board; and
 - vi) New incentive arrangements were entered in to with the management teams of both the continuing group and Blitz Charter.

Charter Broadcast Limited (formerly Pantherwood Limited)

Notes to the financial statement for the year ended 31 December 2002 (continued)

- (b) The proforma consolidated balance sheet of the Company as at 31 December 2003, set out in these financial statements, gives an indication of the effect of restructuring upon the financial position of the continuing Blitz Charter Group.

The proforma balance sheet is for illustrative purposes only and is unaudited.

	31 December 2003 £'000
Fixed assets	
Intangible assets	10,842
Tangible fixed assets	9,272
NBV of fixed assets	20,114
Current assets	
Stock	179
Debtors	4,022
	4,201
Creditors: amounts falling due within one year	
Bank overdraft	(874)
Trade and other creditors	(5,315)
Finance lease obligations	(312)
	(6,501)
Net current liabilities	(2,300)
Total assets less current liabilities	17,814
Creditors: amounts falling due after more than one year	
Term loans	(10,000)
Provisions and other long term liabilities	(613)
Net assets	7,201
Capital and reserves	
Ordinary share capital	-
Revenue reserves	7,201
Total shareholders' funds	7,201

Notes: The above proforma has been prepared based on the unaudited group management accounts at 31 December 2003 reflecting the changes set out in paragraphs (a) i) to v i) above.