

**HOLLYWOOD EXPRESS LIMITED**

**ANNUAL REPORT**

**31 DECEMBER 2000**



**REGISTERED NO: 2086893**

# **HOLLYWOOD EXPRESS LIMITED**

## **CONTENTS**

	Page
Officers	1
Directors' report	2-3
Statement of directors' responsibilities in respect of the financial statements	4
Report of the auditors	5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 14

## **HOLLYWOOD EXPRESS LIMITED**

### **DIRECTORS**

Viacom International (Netherlands) BV  
Universal Studios International BV  
J C Ribbons (appointed as alternate director 16/8/00)  
R Hildred (appointed as alternate director 16/8/00)

### **SECRETARY**

J C Ribbons

### **AUDITORS**

PricewaterhouseCoopers  
101 Barbirolli Square  
Lower Mosley Street  
Manchester  
M2 3PW

### **REGISTERED OFFICE**

Lee House  
90 Great Bridgewater Street  
Manchester  
M1 5JW

## **HOLLYWOOD EXPRESS LIMITED DIRECTORS' REPORT**

The directors present their report and audited financial statements for the year ended 31 December 2000.

### **REVIEW OF THE BUSINESS, RESULTS AND DIVIDENDS**

The principal activities of Hollywood Express Limited (the "Company") are the storage and supply to cinemas of concession products and other goods.

On 21<sup>st</sup> December 2000, the Company, along with other members of the United Cinemas International Multiplex BV ("UCI Multiplex") group and Cinema International Corporation (UK) Ltd repaid the revolving bank facility. This facility was replaced by loans from Cinemas International Corporation NV, a related company. At the year end these facilities had not been utilised by the Company (1999 :£Nil).

The profit and loss account for the year ended 31 December 2000 and the balance sheet at that date are set out on pages 6 and 7 respectively. The loss on ordinary activities for the year before taxation amounted to £257,761 (1999: profit £17,912).

The directors do not recommend the payment of a dividend for the year £nil (1999: £nil). The retained loss transferred from reserves was £258,114 (1999: profit £12,666).

### **DIRECTORS AND THEIR INTERESTS**

The directors of the Company during the year were:

Viacom International (Netherlands) BV - The Netherlands; and  
Universal Studios International BV - The Netherlands.

J C Ribbons and R Hildred were appointed as alternate directors of the Company on 16 August 2000.

At 31 December 2000, Viacom International (Netherlands) BV held 49.02% (1999 - 49.02%), Universal Studios International BV held 49.02% (1999 - 49.02%) and Stichting UCI-CIC Charitable Trust held 1.96% (1999 - 1.96%) of the issued share capital of UCI Multiplex. UCI Multiplex controls the issued share capital of the Company's immediate parent undertaking, United Cinemas International (UK) Limited.

### **EMPLOYEE COMMUNICATIONS AND DISABLED EMPLOYEES**

Employees are informed as to the performance and status of the Company by regular meetings at head office and through in-house media.

It is the policy of the Company that disabled persons are employed on equal terms. If employees become disabled every effort is made to continue employment with re-training for alternative work if necessary. Opportunities for career development are available to disabled persons.

**HOLLYWOOD EXPRESS LIMITED  
DIRECTORS' REPORT (CONTINUED)**

**DONATIONS**

During the year the Company made charitable donations of £250 (1999: £200). No political donations were made (1999: £Nil)

**AUDITORS**

A resolution to re-appoint PricewaterhouseCoopers as auditors of the Company will be put to the forthcoming Annual General Meeting.

By Order of the Board

A handwritten signature in dark ink, appearing to read 'J.C. Ribbons', with a stylized flourish at the end.

J C Ribbons  
Secretary  
1 June 2001

## **HOLLYWOOD EXPRESS LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

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 those 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

## **HOLLYWOOD EXPRESS LIMITED**

### **REPORT OF THE AUDITORS TO THE MEMBERS OF HOLLYWOOD EXPRESS LIMITED**

We have audited the financial statements on pages 6 to 14 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 8 and 9.

#### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Annual Report. As described on page 4, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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 materials inconsistencies with the financial statements.

#### **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 December 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*PricewaterhouseCoopers*

PricewaterhouseCoopers  
Chartered Accountants  
and Registered Auditors  
1 June 2001

**HOLLYWOOD EXPRESS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2000**

	Note	2000 £'000	1999 £'000
<b>Turnover</b>	2	10,952	10,234
Cost of sales		<u>(9,800)</u>	<u>(8,877)</u>
<b>Gross profit</b>		1,152	1,357
Administrative expenses		<u>(1,381)</u>	<u>(1,318)</u>
<b>Operating (loss)/profit</b>	3	(229)	39
Interest payable and similar charges	5	<u>(29)</u>	<u>(21)</u>
<b>(Loss)/profit on ordinary activities before taxation</b>		(258)	18
Tax on (loss)/profit on ordinary activities	6	<u>-</u>	<u>(5)</u>
<b>Retained (loss)/profit for the year</b>	13	<u><u>(258)</u></u>	<u><u>13</u></u>

All turnover and profit on ordinary activities relate to continuing activities.

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

There are no recognised gains and losses in the Company in either the current or preceding year other than the result for the year.

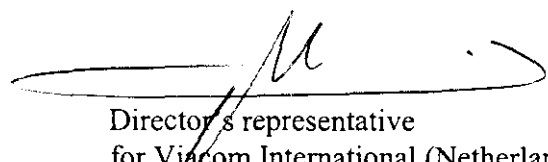
The notes on pages 8 to 14 form an integral part of these financial statements.



**HOLLYWOOD EXPRESS LIMITED**  
**BALANCE SHEET AS AT**  
**31 DECEMBER 2000**

	Note	2000 £'000	2000 £'000	1999 £'000	1999 £'000
<b>Fixed assets</b>	7		359		422
<b>Current assets</b>					
Stocks	8	1,200		987	
Debtors	9	3,236		2,313	
Cash at bank and in hand		-		875	
		<u>4,436</u>		<u>4,175</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(4,671)</u>		<u>(4,215)</u>	
<b>Net current liabilities</b>			(235)		(40)
<b>Total assets less current liabilities</b>			<u>124</u>		<u>382</u>
<b>Capital and reserves</b>					
Called up share capital	12		-		-
Profit and loss account	13		124		382
<b>Equity shareholders' funds</b>			<u>124</u>		<u>382</u>

Approved by the Board on 1 June 2001

  
 Director's representative  
 for Viacom International (Netherlands) BV

The notes on pages 8 to 14 form an integral part of these financial statements.

# **HOLLYWOOD EXPRESS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1 ACCOUNTING POLICIES**

#### **Accounting convention**

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

The financial statements are prepared on a going concern basis as the Company's projected cash flows, together with the support of its parent are, in management's opinion, sufficient to meet its known commitments.

#### **Depreciation**

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost evenly over its expected useful life as follows:

Leasehold improvements	Over the term of the lease to a maximum of 50 years
Motor vehicles	4 years
Fixtures and fittings	8 years
Data Processing	4 years

#### **Leasing commitments**

Rentals paid under operating leases are charged to profit on a straight line basis over the term of the lease.

#### **Stocks**

Stocks comprise principally of goods for resale which are stated at the lower of cost and net realisable value.

#### **Pensions**

The employees of Hollywood Express Limited are eligible for membership of the "CIC, UCI and UIP Companies Pension Plan" (the "Plan"). This is a defined benefit pension plan. Contributions to the Plan are charged to the profit and loss account over the Plan members working lives.

#### **Foreign currencies**

Assets and liabilities in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Exchange differences thus arising are dealt with in the profit and loss account.

**HOLLYWOOD EXPRESS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**1 ACCOUNTING POLICIES (CONTINUED)**

**Cash flow statements and Related party disclosures**

The Company is a wholly owned subsidiary of UCI Multiplex and is included in the consolidated financial statements of UCI Multiplex, which are publicly available. Consequently, the Company has taken advantage of the exemption when preparing a cash flow statement under the terms of Financial Reporting Standard 1.

The Company is also exempt under terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of UCI Multiplex Group or investees of UCI Multiplex Group.

**2 TURNOVER**

Turnover represents sales of goods for resale excluding value added tax and may be geographically analysed as follows:

	2000 £'000	1999 £'000
UK	9,116	8,558
Rest of Europe	1,562	1,555
Far East	274	121
	<u>10,952</u>	<u>10,234</u>

**3 OPERATING PROFIT**

This is stated after charging/(crediting):

	2000 £'000	1999 £'000
Auditors' remuneration - audit fees	5	5
Depreciation of tangible fixed assets	111	100
Operating lease rentals - land and buildings	131	140
	<u>246</u>	<u>245</u>

**4 STAFF COSTS**

	2000 £'000	1999 £'000
Wages and salaries	524	502
Social security costs	47	42
Other pension costs	8	8
	<u>579</u>	<u>552</u>
	No.	No.
The average number of people employed during the year was:	35	28

**HOLLYWOOD EXPRESS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**4 STAFF COSTS (CONTINUED)**

**Directors' remuneration**

The directors did not receive any remuneration in the current or preceding year in respect of their services to the Company.

**5 INTEREST PAYABLE AND SIMILAR CHARGES**

	2000 £'000	1999 £'000
Bank loans and overdrafts wholly repayable within five years	<u>29</u>	<u>21</u>

**6 TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2000 £'000	1999 £'000
UK corporation tax charge at 30% (1999: 30.25%)	<u>-</u>	<u>5</u>

**HOLLYWOOD EXPRESS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**7 TANGIBLE FIXED ASSETS**

	Leasehold improvements £'000	Motor vehicles £'000	Fixtures, fittings and equipment £'000	Total £'000
<b>Cost</b>				
At 1 January 2000	211	119	710	1,040
Additions	-	36	32	68
Disposals	-	(47)	(1)	(48)
At 31 December 2000	211	108	741	1,060
<b>Depreciation</b>				
At 1 January 2000	50	72	496	618
Provided during the year	8	22	81	111
Disposals	-	(27)	(1)	(28)
At 31 December 2000	58	67	576	701
<b>Net book value</b>				
At 31 December 2000	153	41	165	359
At 31 December 1999	161	47	214	422

**8 STOCKS**

	2000 £'000	1999 £'000
Goods for resale	1,200	987

**9 DEBTORS**

	2000 £'000	1999 £'000
Trade debtors	382	291
Amounts owed by group undertakings	2,031	1,571
Other debtors	589	244
Prepayments and accrued income	234	207
	3,236	2,313

**HOLLYWOOD EXPRESS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**10 CREDITORS: amounts falling due within one year**

	2000 £'000	1999 £'000
Bank overdrafts	1,055	-
Trade creditors	865	280
Taxation and social security	18	11
Amounts owed to group undertakings	2,141	2,532
Accruals and deferred income	592	1,392
	<u>4,671</u>	<u>4,215</u>

**11 BANK LOANS**

The Company together with the majority of the subsidiaries of UCI Multiplex and Cinema International Corporation (UK) Ltd repaid the revolving bank facility. This facility was replaced by loans from Cinema International Corporation NV, a related company.

The Company has no amounts owing under either of these facilities at 31 December 2000 (1999:£Nil).

**12 CALLED UP SHARE CAPITAL**

	2000 £	1999 £
Authorised: 100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid: 2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

**HOLLYWOOD EXPRESS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**13 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES**

	Share capital £'000	Profit and loss account £'000	Total £'000
At 1 January 2000	-	382	382
Retained loss for the year	-	(258)	(258)
	<u>-</u>	<u>(258)</u>	<u>(258)</u>
At 31 December 2000	<u>-</u>	<u>124</u>	<u>124</u>

**14 CAPITAL COMMITMENTS**

	2000 £'000	1999 £'000
Authorised but not contracted for in the financial statements	<u>76</u>	<u>36</u>

**15 OPERATING LEASE COMMITMENTS**

Annual commitments relating to operating leases are as follows:

	Land & Buildings		Other	
	2000 £'000	1999 £'000	2000 £'000	1999 £'000
Leases which expire in one to five years	<u>131</u>	<u>140</u>	<u>18</u>	<u>18</u>

**HOLLYWOOD EXPRESS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**16 PENSION COMMITMENTS**

The Company participates in the "CIC, UCI and UIP Companies Pension Plan" ("the Plan") which is a defined benefit plan providing benefits based on final pensionable salary. The Plan is set up under trust and the assets of the Plan are held separately from the Company.

The pension cost charged to the profit and loss account has been calculated by an independent qualified actuary so as to spread the cost of pensions over the employees' working lives with the Company. The pension costs are based on the most recent actuarial valuation at 1 January 1998. The actuarial method used to calculate the pension cost was the projected unit method.

The most significant assumptions for their effect on pension costs are as follows:

Investment returns	8.5%	per annum
Rate of increase of earnings	6%	per annum
Rate of increase of pensions during payment (in excess of Guaranteed Minimum Pensions)	3.5%	per annum

The Plan is funded using the same assumptions and actuarial method outlined above.

The pension cost charged to the profit and loss account for the period was £8,000 (1999: £8,000).

The actuarial valuation at 1 January 1998 showed that the market value of the Plan's assets was £19,161,000 and that the actuarial value of the assets represented 114% of the Plan's liabilities at the valuation date, after allowing for expected future increases in earnings to retirement or earlier leaving.

Included within accruals and deferred income is £1,000 (1999: £1,000) in respect of pension contribution payments made after their recognition in the profit and loss account.

**17 RELATED PARTY TRANSACTIONS**

The Company, United Cinemas International (UK) Limited (its immediate parent) and Cinema International Corporation (UK) have the same ultimate shareholders. During the year the Company made sales of £298,000 (1999: £144,000) to Cinema International Corporation (UK). At the balance sheet date, £40,000 (1999: £55,000) was due from this company.

**18 PARENT UNDERTAKINGS**

The Company's immediate parent undertaking is United Cinemas International (UK) Limited. The smallest and largest group which includes the Company's financial statements is UCI Multiplex which is incorporated in The Netherlands. Copies of UCI Multiplex's financial statements can be obtained from Rijswijkstraat 175, 1062 EV, Amsterdam.