



MOVITEX SIGNS LIMITED

Report and Financial Statements

30 April 1998

Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3TR



REPORT AND FINANCIAL STATEMENTS 1998

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REPORT AND FINANCIAL STATEMENTS 1998

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

B C Jenkins (Chairman)
R E J Stanesby

SECRETARY

R E J Stanesby

REGISTERED OFFICE

80 Great Portland Street
London W1N 5PA

AUDITORS

Deloitte & Touche
Chartered Accountants
Hill House
1 Little New Street
London
EC4A 3TR

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 April 1998.

RESULTS AND DIVIDENDS

The profit on ordinary activities after taxation amounts to £43,231 (11 months ended 30 April 1997 : £51,966).

The directors do not recommend the payment of a dividend (11 months ended 30 April 1997 : £nil).

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company during the year under review was manufacturing and supply of display signs. The directors are satisfied with the results for the year and look forward to a continued profitability in the current year.

DIRECTORS AND THEIR INTERESTS

The directors who held office throughout the year were as follows:

B C Jenkins (Chairman)

R E J Stanesby

Neither of the directors held any interests in the shares of the company.

The directors' interests in the share capital of the ultimate parent company, Associated British Cinemas Limited, are disclosed in that company's financial statements.

AUDITORS

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board



Secretary

6 October 1998

STATEMENT OF 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 as at the end of the financial year and of the profit or loss 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;
- prepare the financial statements on a 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.



AUDITORS' REPORT TO THE MEMBERS OF MOVITEX SIGNS LIMITED

We have audited the financial statements on pages 5 to 11 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of 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 and the group'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 affairs of the company as at 30 April 1998 and of the profit for the year ended to 30 April 1998 and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Chartered Accountants and
Registered Auditors

6 October 1998


PROFIT AND LOSS ACCOUNT
Year ended 30 April 1998

	Note	Year ended 30 April 1998 £	11 months ended 30 April 1997 £
TURNOVER	2	675,846	553,207
Cost of sales		(521,181)	(406,804)
GROSS PROFIT		154,665	146,403
Administrative expenses		(111,444)	(95,779)
OPERATING PROFIT	3	43,221	50,624
Interest receivable and similar income	5	10	1,342
PROFIT ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION		43,231	51,966

Neither a statement of total recognised gains and losses nor a reconciliation of movements in shareholders' funds are included in these accounts as there are no recognised gains or losses nor movements in shareholders' funds other than the profit for the year and the preceding period.

All activities derive from continuing operations.


BALANCE SHEET
30 April 1998

	Note	1998 £	1997 £
FIXED ASSETS			
Intangible assets	6	4,858	5,372
Tangible assets	7	22,526	19,591
		<u>27,384</u>	<u>24,963</u>
CURRENT ASSETS			
Stocks	8	43,524	50,894
Debtors	9	290,338	92,475
Cash at bank and in hand		8,454	48,423
		<u>342,316</u>	<u>191,792</u>
CREDITORS: amounts falling due within one year	10	<u>(166,013)</u>	<u>(76,864)</u>
NET CURRENT ASSETS		176,303	114,928
TOTAL ASSETS LESS CURRENT LIABILITIES		203,687	139,891
CREDITORS: amounts falling due after more than one year	11	<u>(95,565)</u>	<u>(75,000)</u>
		<u>108,122</u>	<u>64,891</u>
CAPITAL AND RESERVES			
Called up share capital	12	10,000	10,000
Profit and loss account	13	98,122	54,891
EQUITY SHAREHOLDERS' FUNDS		<u>108,122</u>	<u>64,891</u>

These financial statements were approved by the Board of Directors on 6/10/1998.

Signed on behalf of the Board of Directors.

Director

**NOTES TO THE ACCOUNTS****Year ended 30 April 1998****1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Turnover

Turnover represents amounts invoiced to customers for goods and services, stated net of value added tax.

Intangible fixed assets

Goodwill arising on acquisitions is capitalised and amortised over 15 years.

Tangible fixed assets

Depreciation is provided on the cost of tangible fixed assets at rates calculated to write off the cost or valuation of their expected useful lives as follows:

Plant and machinery 10% per annum reducing balance

Fixtures and fittings 10% per annum reducing balance

Stocks

Stocks are stated at the lower of cost and net realisable value.

Deferred taxation

Deferred taxation is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date or, where appropriate, the forward exchange contract rates. These translation differences are dealt with in the profit and loss account.

Leases

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the period of the leases.


NOTES TO THE ACCOUNTS
Year ended 30 April 1998
2. TURNOVER

Analysis of turnover by geographical market

	Year ended 30 April 1998 £	11 months ended 30 April 1997 £
United Kingdom	650,905	524,060
Europe	7,305	6,462
Other overseas markets	17,636	22,685
	<u>675,846</u>	<u>553,207</u>

3. OPERATING PROFIT

This is stated after charging:

	Year ended 30 April 1998 £	11 months ended 30 April 1997 £
Amortisation of intangible fixed assets	514	517
Depreciation of fixed assets	1,999	1,870
Auditors' remuneration	5,000	5,250
Operating lease rentals:		
Land and buildings	26,100	23,925
Plant and machinery	1,004	1,004
	<u>33,627</u>	<u>32,566</u>

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors are all employed and paid by Associated British Cinemas Limited, the ultimate parent company.

	Year ended 30 April 1998 £	11 months ended 30 April 1997 £
Wages and salaries	82,555	70,404
Social security costs	7,703	6,717
	<u>90,258</u>	<u>77,121</u>

The average weekly number of persons employed by the company during the period was as follows:

	No.	No.
Office management	2	2
Production	3	3
	<u>5</u>	<u>5</u>


NOTES TO THE ACCOUNTS
Year ended 30 April 1998
5. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 30 April 1998 £	11 months ended 30 April 1997 £
Bank interest	10	1,342

6. INTANGIBLE FIXED ASSETS

	Goodwill £
Cost:	
1 May 1997 and 30 April 1998	8,000
Amortisation:	
1 May 1997	2,628
Charge for the period	514
30 April 1998	3,142
Net book value:	
30 April 1998	4,858
1 May 1997	5,372

7. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Total £
Cost:			
1 May 1997	22,000	6,280	28,280
Additions	4,934	-	4,934
30 April 1998	26,934	6,280	33,214
Depreciation:			
1 May 1997	6,657	2,032	8,689
Charge for the period	1,593	406	1,999
30 April 1998	8,250	2,438	10,688
Net book value:			
30 April 1998	18,684	3,842	22,526
30 April 1997	15,343	4,248	19,591


NOTES TO THE ACCOUNTS
Year ended 30 April 1998
8. STOCKS

	1998 £	1997 £
Raw materials and consumables	43,524	50,894

9. DEBTORS

	1998 £	1997 £
Trade debtors	65,378	78,018
Amounts owed by group undertakings	221,088	10,799
Other debtors	-	100
Prepayments and accrued income	3,872	3,558
	290,338	92,475

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1998 £	1997 £
Trade creditors	46,760	29,986
Amounts owed to group undertakings	105,976	38,250
Taxation and social security	3,978	1,015
Other creditors	2,709	-
Accruals and deferred income	6,590	7,613
	166,013	76,864

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1998 £	1997 £
Amounts owed to group undertakings	95,565	75,000

12. CALLED UP SHARE CAPITAL

	1998 £	1997 £
Authorised, allotted, called up and fully paid: 10,000 Ordinary shares of £1 each	10,000	10,000


NOTES TO THE ACCOUNTS
Year ended 30 April 1998
13. PROFIT AND LOSS ACCOUNT

	1998 £	1997 £
At 1 May	54,891	2,925
Retained profit for the financial year/period	43,231	51,966
	<u>98,122</u>	<u>54,891</u>
At 30 April	<u>98,122</u>	<u>54,891</u>

14. OPERATING LEASE COMMITMENTS

	1998 £	1997 £
Land and buildings		
Operating leases which expire:		
After more than five years	26,100	26,100
	<u>26,100</u>	<u>26,100</u>
Plant and machinery		
Operating leases which expire:		
Within one year	251	-
Within two to five years	-	1,004
	<u>251</u>	<u>1,004</u>

15. ULTIMATE PARENT AND CONTROLLING COMPANY

The company is a subsidiary undertaking of Hopeart Limited, a company registered in England and Wales.

Hopeart Limited is itself a subsidiary undertaking of Associated British Cinemas Limited, a company registered in England and Wales. ABC is the ultimate parent company and controlling party.

Group financial statements of Associated British Cinemas Limited are available from 80 Great Portland Street, London W1N 5PA.

ADDITIONAL INFORMATION

The additional information on page 13 has been prepared from the accounting records of the company. While it does not form part of the statutory financial statements, it should be read in conjunction with them and the auditors' report thereon.


TRADING PROFIT AND LOSS ACCOUNT
Year ended 30 April 1998

	Year ended 30 April 1998	11 months ended 30 April 1997
	£	£
TURNOVER		
Sales	650,905	524,060
Overseas sales	24,941	29,147
	<hr/>	<hr/>
COST OF SALES	675,846	553,207
Opening stock - raw materials	50,895	56,747
Purchases - raw materials and subcontractors	461,699	356,366
Closing stock - raw materials	(43,524)	(50,895)
Direct wages	46,353	39,455
National Insurance	4,235	3,752
Wages - outworkers	1,523	1,379
	<hr/>	<hr/>
	(521,181)	(406,804)
	<hr/>	<hr/>
GROSS PROFIT	154,665	146,403
ADMINISTRATIVE EXPENSES		
Rent, rates and water	44,812	32,756
Light and heat	1,476	1,943
Insurance	3,746	3,802
Repairs and renewals	1,263	413
Staff salaries	34,679	30,949
Staff national insurance contributions	3,468	2,965
Motor expenses	2,020	2,390
Travel and subsistence	121	80
Telephone	1,627	1,515
Postage and stationery	4,937	3,648
Sundry expenses	1,292	491
Magazines, journals and advertising	3,159	4,201
Bad debt expenses	299	904
Bank charges	517	570
Legal and professional fees	515	1,515
Auditors' fees	5,000	5,250
Amortisation on goodwill	514	517
Depreciation on plant and machinery	1,593	1,460
Depreciation on fixtures and fittings	406	410
	<hr/>	<hr/>
	(111,444)	(95,779)
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OPERATING PROFIT	43,221	50,624
INTEREST RECEIVABLE		
Bank interest receivable	10	1,342
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PROFIT ON ORDINARY ACTIVITIES	43,231	51,966
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