

Movitex Signs Limited
(Registered Number 2799844)

Report and Financial Statements

For the Year Ended 31 December 2002



Movitex Signs Limited

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Movitex Signs Limited

Directors' Report

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

Principal activity and review of the business

The Company has not traded since 1st September 2000.

Review of operations

The loss on ordinary activities after taxation amounts to £4,363 (2001: £9,161 loss).

Dividends

The directors do not recommend the payment of a dividend (2001: £nil).

Future prospects

The directors do not anticipate the company trading in the forthcoming year.

Directors and their interests

The directors who held office during the period are given below.

R L Segal	resigned 15 August 2003
S P Gosling	resigned 29 October 2003
B J Keward	resigned 6 March 2003
H R V Hanlon	resigned 6 March 2003

Hopeart Limited was appointed as a Director of the company on 12 January 2004.

No director had any interest in the share capital of the company.

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

Movitex Signs Limited

Directors' Report (continued)

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 the Group and of the profit or loss of the Group for that period. The directors are required to prepare the 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 with the exception of the changes arising on the adoption of new accounting standards in the year as explained on page 7 under note 1 '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 which disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Going concern

The financial statements have been prepared on a going concern basis as the directors are satisfied that the Company's activities are sustainable for the foreseeable future. However, the Odeon Group, of which the company is a member, has £290m of debt which is repayable on 12 March 2004. The group is currently in discussion with its shareholders and bankers regarding the refinancing of this facility. Further details in this regard are set out in Note 1 to the accounts and attention is drawn to the auditors' opinion on page 7, which is modified in respect of this matter.

Auditors

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 22 January 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
For and on behalf of Clifford Chance Secretaries Limited



Secretary

19 January 2004

Auditors' Report to the Members of Movitex Signs Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

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.

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.

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.

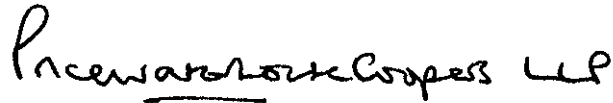
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the basis of preparation. The financial statements have been prepared on a going concern basis and the validity of this depends on the ability of the Odeon Group to refinance £290,000,000 of debt which is currently repayable on 12 March 2004. The financial statements do not include any adjustments that would result should the group be unable to continue in operational existence. Details of the circumstances relating to this fundamental uncertainty are described in the Basis of Preparation (note 1). Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company at 31 December 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Handwritten signature of PricewaterhouseCoopers LLP in black ink.

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
19 January 2004

Movitex Signs Limited

Profit and Loss Account for the Year Ended 31 December 2002

		Year ended 31 December 2002 £	Period ended 31 December 2001 £
	<i>Note</i>		
Turnover	2	-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		(2,133)	(8,063)
Operating loss	3	(2,133)	(8,063)
Interest payable and similar charges	5	(2,230)	(1,098)
Loss on ordinary activities before taxation		(4,363)	(9,161)
Taxation	12	-	-
Loss on ordinary activities after taxation	17	(4,363)	(9,161)

All activities derive from continuing operations.

A statement of total recognised gains and losses is not included in these accounts as there are no recognised gains or losses other than the loss for the current period and the preceding financial period.

There is no difference between the loss on ordinary activities before taxation and the retained profit for the period stated above, and their historical cost equivalents.

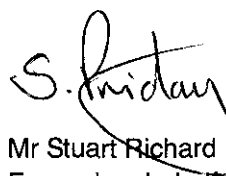
The notes on pages 7 to 11 form part of these accounts.

Movitex Signs Limited

Balance Sheet as at 31 December 2002

	Note	31 December 2002 £	31 December 2001 £
Current assets			
Debtors	6	8,731	7,467
Cash at bank and in hand		-	-
		8,731	7,467
Creditors - amounts falling due within one year	7	(647)	(1,245)
Net current assets		8,084	6,222
Total assets less current liabilities		8,084	6,222
Creditors - amounts falling due after one year	8	(109,802)	(65,787)
Provisions for liabilities and charges	9	(14,058)	(51,848)
Net assets		(115,776)	(111,413)
Capital and reserves:			
Called up share capital	10	10,000	10,000
Profit and loss reserve	11	(125,776)	(121,413)
Equity shareholders deficit	17	(115,776)	(111,413)

Approved by the Board on 19 January 2004



Mr Stuart Richard Friday
For and on behalf of
Associated British Cinemas Limited (Co. No. 3167586)
as Director of Hopeart Limited
Director

The notes on pages 7 to 11 form part of these accounts.

Movitex Signs Limited

Notes to the Financial Statements – 31 December 2002

1 Accounting policies

Basis of preparation

The company is a member of the Odeon Group of companies, which were acquired by Odeon Acquisition Co Limited on 7 March 2003. The acquisition was financed in part by £330m of debt, which is guaranteed by and secured on the assets of the company and certain other Odeon Group companies, and of which £290m falls due for repayment on 12 March 2004. The group is currently in discussion with its shareholders and bankers regarding the refinancing of this debt, however no binding agreement has yet been reached.

The financial statements have been prepared on the going concern basis, which assumes that the group is able to agree the refinancing of the £290m of debt with its shareholders and bankers. Should the group not be successful in refinancing the debt, adjustments would have to be made to reduce the balance sheet values of assets to their recoverable amounts, to provide for further liabilities that might arise and to reclassify fixed assets and long term liabilities as current assets and liabilities.

Whilst the directors presently cannot be certain as the outcome of the matters mentioned above, they believe that it is appropriate for the financial statements to be prepared on the going concern basis.

These financial statements are prepared under the historical cost convention, on a basis consistent with prior years and in accordance with applicable Accounting Standards in the United Kingdom. The principal policies are set out below.

Changes in accounting policies

FRS 19, 'Deferred tax' was adopted in the financial statements. The adoption of this new standard represents a change in accounting policy and the comparative figures have been restated accordingly but had no effect on the prior year financial statements.

Deferred taxation

Deferred taxation is accounted for on an undiscounted basis at expected tax rates on all 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. A deferred tax asset is only recognised when it is more likely than not that the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the underlying timing differences can be deducted.

Leases

Rentals paid under operating leases are charged to the profit and loss in equal amounts over the period of the lease. Provision is made for onerous leases on the basis set out in note 9.

2 Turnover

The company has not traded in the year (2001: £nil)

Movitex Signs Limited

Notes to the Financial Statements – 31 December 2002

3 Operating loss

This is stated after charging:

	Year ended 31 December 2002 £	Period ended 31 December 2001 £
Operating lease rentals:		
Land and buildings	28,500	28,500
Plant and machinery	-	-

Auditors remuneration is borne by the parent company Odeon Limited.

4 Staff costs and directors remuneration

There were no employees except the directors, who were employed and paid by Odeon Limited, the parent company. No other directors received any remuneration during the period (2001 Nil).

5 Interest payable and similar charges

	Year ended 31 December 2002 £	Period ended 31 December 2001 £
Unwinding of discount on provisions	2,230	1,098

6 Debtors

	31 December 2002 £	31 December 2001 £
Prepayments and accrued income	8,731	7,467

7 Creditors - amounts falling due within one year

	31 December 2002 £	31 December 2001 £
Accruals and deferred income	647	1,245

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Notes to the Financial Statements – 31 December 2002

8 Creditors - amounts falling due after more than one year

	31 December 2002 £	31 December 2001 £
Amounts owed to group undertakings	109,802	65,787

9 Provisions for liabilities and charges

	31 December 2002 £	31 December 2001 £
Onerous lease provision		
Opening Balance	51,848	79,008
Arising in the period	-	-
Unwinding of discount	2,230	1,098
Utilised in the period	(40,020)	(28,258)
At 31 December	14,058	51,848

Provision has been made for the future rent / rates commitments on a warehouse which has under a year to run on its lease. This facility has no use or value to the business.

10 Called up share capital

	31 December 2002 £	31 December 2001 £
Authorised, allotted, called up and fully paid		
10,000 ordinary shares of £1 each	10,000	10,000

11 Profit and loss account

	Profit and loss reserves £
At 31 December 2001	(121,413)
Loss for the period	(4,363)
At 31 December 2002	(125,776)

12 Tax on profit on ordinary activities

The tax charge for the year is £Nil (2001: £Nil)

Movitex Signs Limited

Notes to the Financial Statements – 31 December 2002

12 Tax on profit on ordinary activities (Continued)

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

	Year to 31 December 2002 £'000	Year to 31 December 2001 £'000
Loss on ordinary activities before tax	(4,363)	(9,161)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	(1,309)	(2,748)
Effects of:		
Tax losses not utilised	1,309	2,748
Current tax charge for the period	-	-

13 Deferred Taxation

The potential amounts of deferred tax asset not provided are:

	31 December 2002 £'000	31 December 2001 £'000
Capital allowances in excess of depreciation	-	-
Other short term timing differences	-	-
Losses	(4,058)	(2,749)
	(4,058)	(2,749)

No deferred tax asset has been recognised on the grounds that the company is not expected to generate sufficient taxable profits in future years with which to offset the losses.

14 Operating lease commitments

	31 December 2002 £	31 December 2001 £
Land and buildings;		
Operating leases which expire:		
After more than five years	-	-
Within five years	14,250	28,500

Movitex Signs Limited

Notes to the Financial Statements – 31 December 2002

15 Ultimate parent company and controlling party

The immediate parent undertaking is Hopeart Limited.

The ultimate parent undertaking is Odeon Limited which is the smallest and largest group to consolidate these financial statements. Copies of that company's accounts are available from 54 Whitcomb Street, London WC2H 7DN.

As at 31 December 2002, Odeon Limited was ultimately owned and controlled by funds managed by Cinven Limited, which own shares representing 90.0% of the issued share capital (see note 18).

16 Related parties

The company has taken advantage of the exemption granted under paragraph 3(c) of Financial Reporting Standard 8, Related Party Disclosures, not to disclose transactions with Group entities.

17 Reconciliation of movement in shareholders' deficit

	2002 £'000
Loss for the period	(4,363)
Net reduction in shareholders' deficit	
Shareholders' deficit at 31 December 2001	(111,413)
Shareholders deficit as at 31 December 2002	(115,776)

18 Post Balance Sheet Events

On 7 March 2003 the entire share capital of Odeon Limited was sold to a consortium consisting of West LB AG, The Entertainment Group and Robert Tchenguiz.