

**Deloitte &  
Touche**

Deloitte Touche  
Tohmatsu  
International



Company Registration No.2799844

**MOVITEX SIGNS LIMITED**

**Report and Financial Statements**

**30 April 1997**



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



**REPORT AND FINANCIAL STATEMENTS 1997**

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**REPORT AND FINANCIAL STATEMENTS 1997**

**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 11 months ended 30 April 1997.

## **RESULTS AND DIVIDENDS**

The profit on ordinary activities after taxation amounts to £51,966 (1996 : loss £539).

The directors do not recommend the payment of a dividend (1996 : £nil).

## **PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

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

On 2 May 1996 the company was acquired by Associated British Cinemas Limited.

## **DIRECTORS AND THEIR INTERESTS**

The directors who held office throughout the period 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**

Deloitte & Touche were appointed auditors on 16 January 1997. 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

*For Sept* 1997



## **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.



## Chartered Accountants

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

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## AUDITORS' REPORT TO THE MEMBERS OF MOVITEX SIGNS LIMITED

We have audited the financial statements on pages 5 to 12 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 1997 and of the profit for the period from 1 June 1996 to 30 April 1997 and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants and  
Registered Auditors

4 Sept. 1997

**PROFIT AND LOSS ACCOUNT**  
**Period from 1 June 1996 to 30 April 1997**

	Note	11 months ended 30 April 1997 £	Year ended 31 May 1996 £
<b>TURNOVER</b>	2	553,207	346,437
Cost of sales		(406,804)	(242,420)
<b>GROSS PROFIT</b>		146,403	104,017
Administrative expenses		(95,779)	(107,962)
<b>OPERATING PROFIT/(LOSS)</b>	3	50,624	(3,945)
Interest receivable and similar income	5	1,342	1,220
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		51,966	(2,725)
Tax (charge)/credit on profit/(loss) on ordinary activities	6	-	2,186
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</b>		51,966	(539)

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 profit for this period and the loss for the preceding year.

Turnover and the profit for the period derive from continuing operations.

**BALANCE SHEET**  
**30 April 1997**

	Note	30 April 1997 £	31 May 1996 £
<b>FIXED ASSETS</b>			
Intangible assets	7	5,372	5,889
Tangible assets	8	19,591	19,161
		<u>24,963</u>	<u>25,050</u>
<b>CURRENT ASSETS</b>			
Stocks	9	50,894	56,747
Debtors	10	92,475	67,794
Cash at bank and in hand		48,423	16,122
		<u>191,792</u>	<u>140,663</u>
<b>CREDITORS: amounts falling due within one year</b>	11	<u>(76,864)</u>	<u>(77,788)</u>
<b>NET CURRENT ASSETS</b>		114,928	62,875
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		139,891	87,925
<b>CREDITORS: amounts falling due after more than one year</b>	12	<u>(75,000)</u>	<u>(75,000)</u>
		<u>64,891</u>	<u>12,925</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	10,000	10,000
Profit and loss account	14	54,891	2,925
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>64,891</u>	<u>12,925</u>

These financial statements were approved by the Board of Directors on 3/9/ 1997.

Signed on behalf of the Board of Directors.

Director





## **NOTES TO THE ACCOUNTS**

**Period from 1 June 1996 to 30 April 1997**

### **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.

#### **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 equipment	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**  
**Period from 1 June 1996 to 30 April 1997**

**2. TURNOVER**

Analysis of turnover by geographical market

	<b>11 months ended 30 April 1997 £</b>	<b>Year ended 31 May 1996 £</b>
United Kingdom	524,060	317,910
Europe	6,462	9,616
Other overseas markets	22,685	18,911
	<u>553,207</u>	<u>346,437</u>

**3. OPERATING PROFIT/(LOSS)**

This is stated after charging:

	<b>11 months ended 30 April 1997 £</b>	<b>Year ended 31 May 1996 £</b>
Amortisation of intangible fixed assets	517	623
Depreciation of fixed assets	1,870	2,025
Auditors' remuneration	5,250	5,000
Operating lease rentals:		
Land and buildings	23,925	23,925
Plant and machinery	1,004	754
	<u>29,566</u>	<u>32,327</u>

**4. STAFF COSTS**

	<b>11 months ended 30 April 1997 £</b>	<b>Year ended 31 May 1996 £</b>
Wages and salaries	70,404	76,734
Social security costs	6,717	7,497
	<u>77,121</u>	<u>84,231</u>

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

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

**NOTES TO THE ACCOUNTS**

**Period from 1 June 1996 to 30 April 1997**

**5. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>11 months ended 30 April 1997 £</b>	<b>Year ended 31 May 1996 £</b>
Bank interest	<u>1,342</u>	<u>1,220</u>

**6. TAX CREDIT ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES**

	<b>11 months ended 30 April 1997 £</b>	<b>Year ended 31 May 1996 £</b>
Group relief	<u>-</u>	<u>2,186</u>

**7. INTANGIBLE FIXED ASSETS**

	<b>Goodwill £</b>
<b>Cost:</b>	
1 June 1996 and 30 April 1997	<u>8,000</u>
<b>Amortisation:</b>	
1 June 1996	2,111
Charge for the period	<u>517</u>
30 April 1997	<u>2,628</u>
<b>Net book value:</b>	
30 April 1997	<u>5,372</u>
1 June 1996	<u>5,889</u>

**NOTES TO THE ACCOUNTS**  
**Period from 1 June 1996 to 30 April 1997**

**8. TANGIBLE FIXED ASSETS**

	<b>Plant and machinery £</b>	<b>Fixtures and fittings £</b>	<b>Total £</b>
<b>Cost:</b>			
1 June 1996	19,700	6,280	25,980
Additions	2,300	-	2,300
30 April 1997	<u>22,000</u>	<u>6,280</u>	<u>28,280</u>
<b>Depreciation:</b>			
1 June 1996	5,197	1,622	6,819
Charge for the period	1,460	410	1,870
30 April 1997	<u>6,657</u>	<u>2,032</u>	<u>8,689</u>
<b>Net book value:</b>			
30 April 1997	<u>15,343</u>	<u>4,248</u>	<u>19,591</u>
31 May 1996	<u>14,503</u>	<u>4,658</u>	<u>19,161</u>

**9. STOCKS**

	<b>30 April 1997 £</b>	<b>31 May 1996 £</b>
Raw materials and consumables	<u>50,894</u>	<u>56,747</u>

**10. DEBTORS**

	<b>30 April 1997 £</b>	<b>31 May 1996 £</b>
Trade debtors	88,018	65,273
Amounts owed by group undertakings	10,799	-
Other debtors	100	100
Prepayments and accrued income	3,558	2,421
	<u>92,475</u>	<u>67,794</u>

**NOTES TO THE ACCOUNTS**

**Period from 1 June 1996 to 30 April 1997**

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>30 April 1997</b>	<b>31 May 1996</b>
	<b>£</b>	<b>£</b>
Trade creditors	29,986	29,753
Amounts owed to group undertakings	38,250	33,799
Taxation and social security	1,015	3,752
Other creditors	-	1,019
Accruals and deferred income	7,613	9,465
	<u>76,864</u>	<u>77,788</u>

**12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>30 April 1997</b>	<b>31 May 1996</b>
	<b>£</b>	<b>£</b>
Amounts owed to group undertakings	<u>75,000</u>	<u>75,000</u>

**13. CALLED UP SHARE CAPITAL**

	<b>30 April 1997</b>	<b>31 May 1996</b>
	<b>£</b>	<b>£</b>
<b>Authorised:</b>		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
<b>Allotted, called up and fully paid:</b>		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

**14. PROFIT AND LOSS ACCOUNT**

	<b>30 April 1997</b>	<b>31 May 1996</b>
	<b>£</b>	<b>£</b>
At 1 June	2,925	3,464
Retained profit/(loss) for the financial period/year	<u>51,966</u>	<u>(539)</u>
At 30 April /31 May	<u>54,891</u>	<u>2,925</u>

**NOTES TO THE ACCOUNTS**

**Period from 1 June 1996 to 30 April 1997**

**15. OPERATING LEASE COMMITMENTS**

	<b>30 April 1997 £</b>	<b>31 May 1996 £</b>
<b>Land and buildings</b>		
Operating leases which expire:		
After more than five years	23,925	23,925
<b>Plant and machinery</b>		
Operating leases which expire:		
Within two to five years	1,004	754

**16. CONTINGENT LIABILITIES**

A cross guarantee has been given in respect of the bank facilities of a fellow group undertaking. At 30 April 1997 the maximum potential liability under this guarantee was £nil.

**17. 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.

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 14 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**  
**Period from 1 June 1996 to 30 April 1997**

	11 months ended 30 April 1997	Year ended 31 May 1996
	£	£
<b>TURNOVER</b>		
Sales	524,060	317,910
Overseas sales	29,147	28,527
	<hr/>	<hr/>
<b>COST OF SALES</b>	553,207	346,437
Opening stock - raw materials	56,747	61,943
Purchases - raw materials and subcontractors	356,366	189,158
Closing stock - raw materials	(50,895)	(56,747)
Direct wages	39,455	42,738
National Insurance	3,752	4,029
Wages - outworkers	1,379	1,299
	<hr/>	<hr/>
	(406,804)	(242,420)
<b>GROSS PROFIT</b>	<hr/>	<hr/>
	146,403	104,017
<b>ADMINISTRATIVE EXPENSES</b>		
Rent, rates and water	32,756	35,057
Light and heat	1,943	2,516
Insurance	3,802	3,267
Repairs and renewals	413	701
Staff salaries	30,949	33,996
Staff national insurance contributions	2,965	3,468
Motor expenses	2,390	1,906
Travel and subsistence	80	77
Telephone	1,515	1,867
Postage and stationery	3,648	5,226
Sundry expenses	491	1,848
Magazines, journals and advertising	4,201	3,855
Bad debt expenses	904	1,104
Bank charges	570	564
Management charge payable	-	2,000
Legal and professional fees	1,515	2,862
Auditors' fees	5,250	5,000
Amortisation on goodwill	517	623
Depreciation on plant and machinery	1,460	1,533
Depreciation on fixtures and fittings	410	492
	<hr/>	<hr/>
	(95,779)	(107,962)
<b>OPERATING PROFIT/(LOSS)</b>	<hr/>	<hr/>
	50,624	(3,945)
<b>INTEREST RECEIVABLE</b>		
Bank interest receivable	1,342	1,220
	<hr/>	<hr/>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES</b>	<hr/>	<hr/>
	51,966	(2,725)