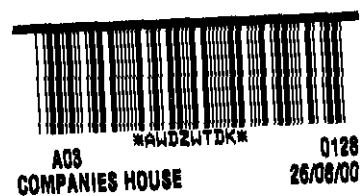


MOVITEX SIGNS LIMITED

Report and Financial Statements

30 April 2000

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



REPORT AND FINANCIAL STATEMENTS 2000

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REPORT AND FINANCIAL STATEMENTS 2000

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

S P Gosling
R L Segal
H R V Hanlon
B J Keward

SECRETARY

S P Gosling

REGISTERED OFFICE

54 Whitcomb Street
London
WC2H 7DN

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 2000.

RESULTS AND DIVIDENDS

The profit on ordinary activities after taxation amounts to £15,524 (1999: loss £5,582).

The directors do not recommend the payment of a dividend (1999: £nil).

PRINCIPAL ACTIVITY, REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

The principal activity of the company during the year under review was manufacturing and supply of display materials. During the year, the trade of Electroneon Signs Limited, a fellow subsidiary of Hopeart Limited was transferred to Movitex Signs Limited. The directors believe that the company will continue to trade in the coming year.

DIRECTORS AND THEIR INTERESTS

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

B C Jenkins	(resigned 16 February 2000)
R E J Stanesby	(resigned 16 February 2000)
G J Moore	(appointed 16 February 2000, resigned 1 March 2000)
B A Linden	(appointed 16 February 2000, resigned 1 March 2000)
S P Gosling	(appointed 1 March 2000)
R L Segal	(appointed 1 March 2000)
H R V Hanlon	(appointed 26 April 2000)
B J Keward	(appointed 26 April 2000)

None of the directors held any interests in the shares 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.

YEAR 2000 ISSUES

Following their initial review, the directors continue to be alert to the potential risks and uncertainties surrounding the year 2000 issue. As at the date of this report, the directors are not aware of any significant factors which have arisen, or that may arise, which will affect the activities of the business.

AUDITORS

Following a change of ownership of the ultimate parent company, it is proposed that the audit be conducted by PricewaterhouseCoopers. A resolution to such effect is to be proposed at the forthcoming Annual General Meeting.

By order of the Board



S P Gosling

Secretary

21st August 2000

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 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 which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. 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 United Kingdom 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 affairs of the company as at 30 April 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche
Deloitte & Touche

Chartered Accountants and
Registered Auditors

23 August 2000

PROFIT AND LOSS ACCOUNT
Year ended 30 April 2000

	Note	2000 £	1999 £
TURNOVER	2	1,038,936	357,823
Cost of sales		(649,338)	(255,549)
GROSS PROFIT		389,598	102,274
Administrative expenses		(377,509)	(107,851)
OPERATING PROFIT/(LOSS)	3	12,089	(5,577)
Interest receivable and similar income	5	14	-
Interest payable		(697)	(5)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	14	11,406	(5,582)
Tax credit on loss on ordinary activities	6	4,118	-
PROFIT/(LOSS) FOR FINANCIAL PERIOD		15,524	(5,582)

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 loss for the preceding period.

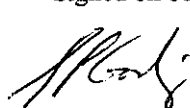
All activities derive from continuing operations.

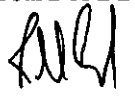
BALANCE SHEET
30 April 2000

	Note	2000 £	1999 £
FIXED ASSETS			
Intangible assets	7	3,974	4,394
Tangible assets	8	61,636	20,373
		<u>65,610</u>	<u>24,767</u>
CURRENT ASSETS			
Stocks	9	145,070	55,882
Debtors	10	256,911	228,176
Cash at bank and in hand		42,152	13,110
		<u>444,133</u>	<u>297,168</u>
CREDITORS: amounts falling due within one year	11	<u>(133,787)</u>	<u>(123,830)</u>
NET CURRENT ASSETS		310,346	173,338
TOTAL ASSETS LESS CURRENT LIABILITIES		375,956	198,105
CREDITORS: amounts falling due after more than one year	12	<u>(257,892)</u>	<u>(95,565)</u>
NET ASSETS		<u>118,064</u>	<u>102,540</u>
CAPITAL AND RESERVES			
Called up share capital	13	10,000	10,000
Profit and loss account	14	108,064	92,540
EQUITY SHAREHOLDERS' FUNDS		<u>118,064</u>	<u>102,540</u>

These financial statements were approved by the Board of Directors on 21 August 2000.

Signed on behalf of the Board of Directors.


S P Gosling
Director


R L Segal
Director

NOTES TO THE ACCOUNTS
Year ended 30 April 2000**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 over their expected useful lives as follows:

Leasehold land and buildings	-	over the lease term
Plant and machinery	-	10% per annum reducing balance
Fixtures and fittings	-	10% per annum reducing balance
Motor vehicles	-	25% on a straight line basis

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost includes amounts incurred in bringing each product to its present location and condition. In the case of work in progress, cost comprises the cost of direct materials and labour plus appropriate overhead costs.

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.

Pensions

The company operates a defined contribution pension scheme. The annual pension cost charge represents the contributions payable by the company to the fund.

Cash flow

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "cash flow statements".

NOTES TO THE ACCOUNTS

Year ended 30 April 2000

2. TURNOVER

Analysis of turnover by geographical market:

	2000	1999
	£	£
United Kingdom	1,011,599	337,456
Europe	11,196	11,776
Other overseas markets	16,141	8,591
	<u>1,038,936</u>	<u>357,823</u>

Turnover relates wholly to the principal class of business.

3. OPERATING PROFIT /(LOSS)

This is stated after charging:

	2000	1999
	£	£
Amortisation of intangible fixed assets	420	464
Depreciation of fixed assets	10,258	2,153
Auditors' remuneration – audit services	6,000	4,000
Operating lease rentals:		
Land and buildings	52,500	28,500
Plant and machinery	2,020	251
	<u>71,198</u>	<u>34,318</u>

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Two directors, B C Jenkins and R E J Stanesby, were employed and paid by Associated British Cinemas Limited, the parent company until their resignations. No other directors received any remuneration in the period.

	2000	1999
	£	£
Wages and salaries	310,020	89,778
Social security costs	28,851	8,344
Pension costs	15,371	1,050
	<u>354,242</u>	<u>99,172</u>

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

	No.	No.
Office management	8	1
Production	6	4
	<u>14</u>	<u>5</u>

NOTES TO THE ACCOUNTS

Year ended 30 April 2000

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2000 £	1999 £
Bank interest	14	-

6. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

	2000 £	1999 £
The tax credit is based on the loss for the year and represents:		
Deferred taxation	4,118	-

The tax credit arises due to a deferred tax liability transferred under S343 from Electroneon Signs Limited which is no longer required.

7. INTANGIBLE FIXED ASSETS

	Goodwill £
Cost:	
1 May 1999 and 30 April 2000	8,000
Amortisation:	
1 May 1999	3,606
Charge for the year	420
30 April 2000	4,026
Net book value:	
30 April 2000	3,974
1 May 1999	4,394

NOTES TO THE ACCOUNTS
Year ended 30 April 2000

8. TANGIBLE FIXED ASSETS

	Leasehold land and buildings £	Motor vehicles £	Plant and machinery £	Fixtures and fittings £	Total £
Cost:					
1 May 1999	-	-	26,934	6,280	33,214
Transfers	20,216	33,348	97,962	6,981	158,507
Additions	-	-	3,613	-	3,613
Disposals	-	-	-	(5,667)	(5,667)
30 April 2000	20,216	33,348	128,509	7,594	189,667
Depreciation:					
1 May 1999	-	-	10,036	2,805	12,841
Transfers	20,216	26,721	57,059	6,603	110,599
Charge for the year	-	3,897	5,762	599	10,258
Disposals	-	-	-	(5,667)	(5,667)
30 April 2000	20,216	30,618	72,857	4,340	128,031
Net book value:					
30 April 2000	-	2,730	55,652	3,254	61,636
30 April 1999	-	-	16,898	3,475	20,373

The net book value above includes the following amount in respect of assets held under finance leases and hire purchase contracts:

2000
£

1999
£

2,730 -

The depreciation charged for the year on these assets amounted to

2,736 -

9. STOCKS

	2000 £	1999 £
Raw materials and consumables	145,070	55,882

NOTES TO THE ACCOUNTS

Year ended 30 April 2000

10. DEBTORS

	2000 £	1999 £
Trade debtors	198,428	65,684
Amounts owed by group undertakings	54,247	158,264
Prepayments and accrued income	4,236	4,228
	<u>256,911</u>	<u>228,176</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Trade creditors	83,307	37,771
Amounts owed to group undertakings	-	76,980
Taxation and social security	22,688	785
Other creditors	661	-
Accruals and deferred income	27,131	8,294
	<u>133,787</u>	<u>123,830</u>

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

	2000 £	1999 £
Amounts owed to group undertakings	<u>257,892</u>	<u>95,565</u>

13. CALLED UP SHARE CAPITAL

	2000 £	1999 £
Authorised, allotted, called up and fully paid: 10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

14. PROFIT AND LOSS ACCOUNT

	2000 £	1999 £
At 1 May	92,540	98,122
Retained profit/(loss) for the financial year	15,524	(5,582)
At 30 April	<u>108,064</u>	<u>92,540</u>

NOTES TO THE ACCOUNTS

Year ended 30 April 2000

15. DEFERRED TAXATION

Deferred taxation movement for the year:

	2000 £	1999 £
Opening balance	-	-
Transfer from Electroneon Signs Limited	4,118	-
Current year credit	(4,118)	-
Closing balance	-	-

The potential amounts of deferred tax liability/(asset) not provided are:

	2000 £	1999 £
Capital allowances in excess of depreciation	7,045	1,596
Other short-term timing differences	(58,533)	(61,342)
	(51,488)	(59,746)

16. OPERATING LEASE COMMITMENTS

	2000 £	1999 £
Land and buildings		
Operating leases which expire:		
After more than five years	24,000	-
Within five years	28,500	28,500
Plant and machinery		
Operating leases which expire:		
Within one year	750	-
Within five years	520	-

17. RELATED PARTY TRANSACTIONS

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

18. 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 and that company is a subsidiary of Odeon Limited which is the ultimate parent company and controlling party.

Group financial statements of Odeon Limited are available from 54 Whitcomb Street, London WC2H 7DN.

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

Year ended 30 April 2000

	2000	1999
	£	£
TURNOVER		
Sales	1,011,599	338,823
Overseas sales	27,337	19,000
	<u>1,038,936</u>	<u>357,823</u>
COST OF SALES		
Opening stock - raw materials	55,882	43,524
Purchases - raw materials and subcontractors	632,062	211,711
Closing stock - raw materials	(145,070)	(55,882)
Direct wages	97,989	47,828
National Insurance	8,475	4,306
Wages - outworkers	-	4,062
	<u>(649,338)</u>	<u>(255,549)</u>
GROSS PROFIT	<u>389,598</u>	<u>102,274</u>
ADMINISTRATIVE EXPENSES		
Rent, rates and water	38,157	33,646
Light and heat	4,892	2,363
Insurance	11,736	3,928
Repairs and renewals	1,787	803
Staff salaries	212,032	37,888
Staff national insurance contributions	20,375	4,038
Staff pensions	15,371	1,050
Motor expenses	19,369	2,896
Travel and subsistence	2,985	303
Telephone	5,989	1,680
Postage and stationery	18,830	4,065
Sundry expenses	2,933	722
Magazines, journals and advertising	4,549	4,417
Bad debt expenses	303	2,105
Bank charges	1,102	468
Legal and professional fees	569	1,015
Auditors' fees	6,000	4,000
Amortisation on goodwill	420	464
Depreciation on plant and machinery	5,762	1,786
Depreciation on fixtures and fittings	599	367
Depreciation on motor vehicles	3,897	-
Discounts	(148)	(153)
	<u>377,509</u>	<u>(107,851)</u>
OPERATING PROFIT/(LOSS)	<u>12,089</u>	<u>(5,577)</u>
INTEREST RECEIVABLE/PAYABLE		
Bank interest receivable	14	-
Bank interest payable	(697)	(5)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES	<u>11,406</u>	<u>(5,582)</u>