

EuroPlex Cinemas (UK) Limited

Report and Financial Statements

Period from

1 January 2001

to

31 December 2001



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EUROPLEX CINEMAS (UK) LIMITED

Annual report and financial statements for the year ended 31 December 2001

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Directors

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Directors

C Wesoky

J Wesoky

Secretary and registered office

J Wesoky, Haymarket House, 28-29 Haymarket, London. SW1Y 4SP.

Company number

3854544

Auditors Ernst & Young LLP, Becket House, 1 Lambeth Palace Road, London, SE1 7EU.

Bankers Barclays Bank Plc, 27, Soho Square, London. W1A 4WA.

Solicitors Berwin Leighton, Adelaide House, London Bridge, London. EC4R 9HA.

EUROPLEX CINEMAS (UK) LIMITED

Report of the directors for the year ended 31 December 2001

The directors present their report together with the audited financial statements for the year ended 31 December 2001.

Results and dividends

The profit for the year, after taxation, amounted to £69,084 (15 month period ended 31 December 2000 - £46,132).

The directors do not recommend a dividend (2000 - £nil).

Principal activities, trading review and future developments

The principal activity of the company is to provide certain support services for its parent company, EuroPlex BV.

The directors are satisfied with the results for the year and anticipate continued growth in the future.

Directors and their interests

The directors during the year

C Wesoky

J Wesoky

There are no directors' interests requiring disclosure under The Companies Act 1985.

EUROPLEX CINEMAS (UK) LIMITED

Report of the directors for the year ended 31 December 2001 (*continued*)

Auditors

On 28 June 2001, Ernst & Young LLP, the company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under The Limited Liability Partnerships Act 2000. The Directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001. A resolution to re-appoint Ernst & Young LLP as the company's auditor will be put to the forthcoming Annual General Meetings.

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 and of the profit or loss of the company for that year. 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; and
- 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 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.

By order of the Board



J Wesoky

Secretary

28th January 2002

Report of the auditors to the shareholders of EuroPlex Cinemas (UK) Limited

We have audited the company's financial statements for the year ended 31 December 2001 which comprise the Profit and Loss Account, Balance Sheet, Reconciliation of Shareholders' Funds and the related notes 1 to 14. These financial statements have been prepared on the basis of the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

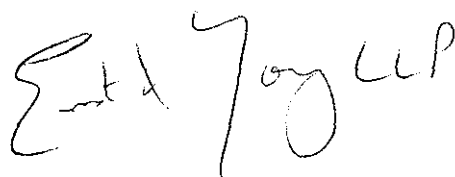
Basis of audit opinion

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 31 December 2001 and of its profits for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



ERNST & YOUNG LLP
Registered Auditor
London

date **28 JAN 2002**

EUROPLEX CINEMAS (UK) LIMITED**Profit and loss account for the year ended 31 December 2001**

	Note	Year ended 31 December 2001 £	15 month period ended 31 December 2000 £
Turnover	2	1,060,922	671,349
Administration costs		(968,967)	(617,144)
Operating Profit	3	91,955	54,205
Interest receivable		4,493	6,827
Profit on ordinary activities before taxation		96,448	61,032
Taxation on profits from ordinary activities	6	(27,364)	(14,900)
Profit on ordinary activities after taxation		69,084	46,132
Retained profit brought forward		46,132	-
Retained profit carried forward		115,216	46,132

Statement of total recognised gains and losses


There are no recognised gains and losses other than the profit for the year (15 month period ended 31 December 2000 - £46,132).

EUROPLEX CINEMAS (UK) LIMITED

Balance sheet at 31 December 2001

	Note	2001 £	2000 £
Fixed assets			
Tangible assets	7	153,819	173,600
Current assets			
Debtors	8	297,153	210,168
Cash at bank and in hand		201,049	159,398
		<u>498,202</u>	<u>369,566</u>
Creditors: amounts falling due within one year	9	(139,918)	(102,847)
		<u>358,284</u>	<u>266,719</u>
Net current assets			
		358,284	266,719
Total assets less current liabilities		<u>512,103</u>	<u>440,319</u>
Provisions for liabilities and charges			
Deferred taxation	10	(7,600)	(4,900)
		<u>504,503</u>	<u>435,419</u>
Shareholders funds			
		<u>504,503</u>	<u>435,419</u>
Capital and reserves			
Called up share capital	11	7	7
Share Premium	12	389,280	389,280
Profit and loss account	12	115,216	46,132
		<u>504,503</u>	<u>435,419</u>

The financial statements were approved by the Board on 28th January 2002


J Wesoky
Director

EUROPLEX CINEMAS (UK) LIMITED

Notes to the accounts at 31 December 2001

1 Accounting policies

Accounting convention

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

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets over their expected useful lives. It is calculated on the original cost of the asset at the following rates:

Leasehold improvements	- straight line over the lease term
Fixtures and fittings	- 10 years straight line
Computers and equipment	- 3 to 5 years straight line

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing difference will reverse.

Foreign currencies

Foreign currency transactions are translated into sterling at the rates ruling at the date of transaction. Foreign currency monetary assets and liabilities are translated at the rate ruling at the balance sheet date. Any differences are taken to the profit and loss account.

Leasing and hire purchase commitments

Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

Pension costs

Contributions to employees' personal pension plans are charged to the profit and loss account in the year in which they become payable.

Cash Flow statement

A cash flow statement is not prepared as the company is taking advantage of the exemption confirmed by FRS 1 as a subsidiary undertaking which is more than 90% controlled by the ultimate parent undertaking.

Related parties

The company has taken advantage of the exemptions for disclosure under FRS 8 as an undertaking which is more than 90% controlled by the ultimate parent undertaking.

EUROPLEX CINEMAS (UK) LIMITED

Notes to the accounts at 31 December 2001

2 Turnover

Turnover represents amounts derived solely from fees in accordance with the services agreement with EuroPlex B.V., and is stated net of value added tax.

Turnover is attributable to one continuing activity. All of the company's turnover is derived from Europe.

	Year ended 31 December 2001 £	15 month period ended 31 December 2000 £
3 Profit on ordinary activities before taxation		
This is arrived at after charging:		
Auditors' remuneration – audit services	3,500	7,000
Auditors' remuneration – non-audit services	-	17,000
Depreciation	36,234	27,334
Operating lease rentals – land and buildings	121,983	102,502

	Year ended 31 December 2001 £	15 month period ended 31 December 2000 £
4 Employees		
Staff costs (including directors) consist of:		
Wages and salaries	528,945	221,254
Benefits in kind	-	-
Social security costs	59,524	24,665
Pension costs	26,916	9,135
	<u>615,385</u>	<u>255,054</u>
The average number of employees during the period, All of whom were engaged in administration.	<u>10</u>	<u>5</u>

EUROPLEX CINEMAS (UK) LIMITED

Notes to the accounts at 31 December 2001

5 Directors' emoluments	Year ended 31 December 2001 £	15 month period ended 31 December 2000 £
Emoluments	74,250	55,937
	<u>74,250</u>	<u>55,937</u>

The highest paid director received emoluments totalling £74,250 (2000 : £55,937).

6 Taxation on profits from ordinary activities	Year ended 31 December 2001 £	15 month period ended 31 December 2000 £
UK corporation tax for the period	24,664	10,000
Deferred taxation	2,700	4,900
	<u>27,364</u>	<u>14,900</u>

7 Tangible assets

	Leasehold improvements £	Fixtures and fittings £	Computers and equipment £	Total £
<i>Cost</i>				
At 1 January 2001	113,809	25,580	61,545	200,934
Net Additions	-	587	16,176	16,763
Disposals	-	-	(399)	(399)
	<u>113,809</u>	<u>26,167</u>	<u>77,322</u>	<u>217,298</u>
At 31 December 2001	113,809	26,167	77,322	217,298
<i>Depreciation</i>				
At 1 January 2001	11,376	1,937	14,021	27,334
Charge for the year	11,376	2,607	22,251	36,234
Disposals	-	-	(89)	(89)
	<u>22,752</u>	<u>4,544</u>	<u>36,183</u>	<u>63,479</u>
At 31 December 2001	22,752	4,544	36,183	63,479
<i>Net book value</i>				
At 31 December 2001	91,057	21,623	41,139	153,819
<i>Net book value</i>				
At 1 January 2001	102,433	23,643	47,524	173,600

EUROPLEX CINEMAS (UK) LIMITED

Notes to the accounts at 31 December 2001

8 Debtors	2001 £	2000 £
Amounts due from parent undertakings	166,411	79,916
Inventory	807	-
Other debtors	82,956	87,040
Prepayments and accrued income	46,979	43,212
	<u>297,153</u>	<u>210,168</u>

Included in other debtors is an amount of £71,201 which is due after more than one year for a rental deposit.

9 Creditors: amounts falling due within one year	2001 £	2000 £
Trade creditors	74,409	12,124
Other creditors	-	184
Other taxes and social security costs	34,988	20,245
Corporation tax	24,800	10,000
Accruals	5,721	60,294
	<u>139,918</u>	<u>102,847</u>

10 Provision for liabilities and charges

Deferred taxation provided in the accounts which represents the full potential liability is as follows:

	2001 £	2000 £
Capital allowances in advance of depreciation	2,700	4,900
Deferred taxation movements are:		
At 1 January /At incorporation	4,900	-
Transfer from profit and loss account	2,700	4,900
At 31 December	<u>7,600</u>	<u>4,900</u>

EUROPLEX CINEMAS (UK) LIMITED

Notes to the accounts at 31 December 2001

11 Share capital

	2000 Authorised £	2000 Allotted, called up and fully paid £	2001 Authorised £	2001 Allotted, called up and fully paid £
Ordinary shares of £1 each	1,000	7	1,000	7
	<u>1,000</u>	<u>7</u>	<u>1,000</u>	<u>7</u>

12 Reconciliation of shareholders funds and movement on reserves

	Share Capital	Share Premium	Profit and Loss Account	Total Shareholders' Funds
	£	£	£	£
On incorporation	2	-	-	2
Profit for the period	-	-	46,132	46,132
Shares issued in the period	5	389,280	-	389,285
	<u>7</u>	<u>389,280</u>	<u>46,132</u>	<u>435,419</u>
At 31 December 2000	7	389,280	46,132	435,419
Profit for the year	-	-	69,084	69,084
	<u>7</u>	<u>389,280</u>	<u>115,216</u>	<u>504,503</u>
At 31 December 2001	7	389,280	115,216	504,503

EUROPLEX CINEMAS (UK) LIMITED

Notes to the accounts at 31 December 2001

13 Other financial commitments

At 31 December 2001 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2001 £	Land and buildings 2000 £
Operating leases which expire:		
Within one year	-	-
In two to five years	121,983	-
After more than five years	-	121,983
	<hr/>	<hr/>
	121,983	121,893
	<hr/>	<hr/>

14 Ultimate Parent Undertaking

EuroPlex B.V., a company incorporated in The Netherlands, is the company's ultimate parent undertaking and controlling party.

Copies of its group accounts are available from EuroPlex B.V., Strawinskylaan 1725, P. O. Box 7241, 1007 JE Amsterdam, The Netherlands.