


3854544

EuroPlex Cinemas (UK) Limited

Report and Financial Statements

Period from 1 January 2002 to 31 December 2002

 **ERNST & YOUNG**



EUROPLEX CINEMAS (UK) LIMITED

Annual report and financial statements for the year ended 31 December 2002

Contents

Directors

Page:

1	Report of the directors
3	Report of the auditors
4	Profit and loss account
5	Balance sheet
6	Notes to the accounts
11	The page number of the last page.

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Directors

C Wesoky

J Wesoky (Resigned 31 December 2002)

G Chittick (Appointed 31 December 2002)

Secretary and registered office

J Wesoky, 83 Pall Mall, London. SW1Y 5ES. (Resigned 31 December 2002).

S Greenfield, 83 Pall Mall, London. SW1Y 5ES (Appointed 31 December 2002)

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 2002

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

Results and dividends

The profit for the year, after taxation, amounted to £ 94,985 (year ended 31 December 2001 - £69,084).

The directors do not recommend a dividend (2001 - £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 (Resigned 31 December 2002)

G Chittick (Appointed 31 December 2002)

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 2002 (*continued*)

Auditors

A resolution to re-appoint Ernst & Young LLP as the company's auditor will be put to the forthcoming Annual General Meetings.

Directors' responsibilities

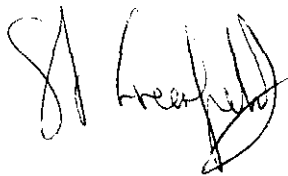
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

- 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.

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By order of the Board



S Greenfield
Secretary

12 MAY 2003

EUROPLEX CINEMAS (UK) LIMITED

Independent audit report to the members of EuroPlex Cinemas (UK) Limited

We have audited the company's financial statements for the year ended 31 December 2002 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, and the related notes 1 to 14. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Ernst & Young LLP
Registered Auditor
London

EUROPLEX CINEMAS (UK) LIMITED

Profit and loss account for the year ended 31 December 2002

	Note	Year Ended 31 December 2002 £	Year Ended 31 December 2001 £
Turnover	2	1,505,675	1,060,922
Administration costs		(1,371,061)	(968,967)
Operating Profit	3	134,614	91,955
Interest receivable		2,265	4,493
Profit on ordinary activities before taxation		136,879	96,448
Taxation on profits from ordinary activities	6	(41,894)	(27,364)
Profit on ordinary activities after taxation		94,985	69,084
Retained profit brought forward		115,216	46,132
Retained profit carried forward		210,201	115,216

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Statement of total recognised gains and losses

There are no recognised gains and losses other than the profit for the year £94,985 (year ended 31 December 2001 - £69,084).

EUROPLEX CINEMAS (UK) LIMITED

Balance sheet at 31 December 2002

	Note	2002 £	2001 £
Fixed assets			
Tangible assets	7	100,439	153,819
Current assets			
Debtors	8	710,195	297,153
Cash at bank and in hand		106,883	201,049
		<hr/>	<hr/>
		817,078	498,202
Creditors: amounts falling due within one year	9	(169,414)	(139,918)
		<hr/>	<hr/>
Net current assets		647,664	358,284
		<hr/>	<hr/>
Total assets less current liabilities		748,103	512,103
		<hr/>	<hr/>
Provisions for liabilities and charges	10	(148,615)	(7,600)
		<hr/>	<hr/>
Shareholders funds		599,488	504,503
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	11	7	7
Share Premium	12	389,280	389,280
Profit and loss account	12	210,201	115,216
		<hr/>	<hr/>
		599,488	504,503
		<hr/>	<hr/>

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G Chittick

Director

12 MAY 2003

EUROPLEX CINEMAS (UK) LIMITED

Notes to the accounts at 31 December 2002

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 in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in different periods from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

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 2002

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.

3 Profit on ordinary activities before taxation

Year ended 31 December 2002 £	Year Ended 31 December 2001 £
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This is arrived at after charging:

Auditors' remuneration – audit services	4,500	3,500
Depreciation	66,448	36,234
Operating lease rentals – land and buildings	121,983	121,983

4 Employees

Year ended 31 December 2002 £	Year Ended 31 December 2001 £
--	--

Staff costs (including directors) consist of:

Wages and salaries	707,602	528,945
Benefits in kind	16,831	-
Social security costs	79,244	59,524
Pension costs	42,957	26,916

846,634

615,385

The average number of employees during the period,
All of whom were engaged in administration.

11

10

EUROPLEX CINEMAS (UK) LIMITED

Notes to the accounts at 31 December 2002

	Year ended 31 December 2002 £	Year Ended 31 December 2001 £
5 Directors' emoluments		
Emoluments	68,250	74,250
	<u>68,250</u>	<u>74,250</u>

The highest paid director received emoluments totalling £68,250 (2001 : £74,250).

	Year ended 31 December 2002 £	Year Ended 31 December 2001 £
6 Taxation on profits from ordinary activities		
UK corporation tax for the period	51,694	24,664
Deferred taxation	(9,800)	2,700
	<u>41,894</u>	<u>27,364</u>

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of Corporation tax in the UK of 30%(2001-30%). The differences are reconciled below:

	2002 £	2001 £
Profit on ordinary activities before tax	136,879	96,448
Profit on ordinary activities multiplied by standard rate of Corporation tax in the UK of 30% (2001-30%)	41,063	28,934
Expenses not deductible for tax purposes	21,587	11,707
Decelerated/(Accelerated) capital allowances	(9,883)	(10,877)
Small companies marginal relief	(1,032)	(5,018)
Tax overprovided in previous years	(41)	82
	<u>51,694</u>	<u>24,664</u>

EUROPLEX CINEMAS (UK) LIMITED

Notes to the accounts at 31 December 2002

7 Tangible assets

	Leasehold improvements £	Fixtures and fittings £	Computers and equipment £	Total £
<i>Cost</i>				
At 1 January 2002	113,809	26,167	77,322	217,298
Net Additions	-	-	14,358	14,358
Disposals	-	-	(3,026)	(3,026)
At 31 December 2002	113,809	26,167	88,654	228,630
<i>Depreciation</i>				
At 1 January 2002	22,752	4,544	36,183	63,479
Charge for the year	37,304	2,617	26,527	66,448
Disposals	-	-	(1,736)	(1,736)
At 31 December 2002	60,056	7,161	60,974	128,191
<i>Net book value</i>				
At 31 December 2002	53,753	19,006	27,680	100,439
<i>Net book value</i>				
At 1 January 2002	91,057	21,623	41,139	153,819

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8 Debtors

	2002 £	2001 £
Amounts due from parent undertakings	580,463	166,411
Inventory	760	807
Other debtors	82,314	82,956
Prepayments and accrued income	46,658	46,979
	710,195	297,153

Included in other debtors is an amount of £71,201 which is a rental deposit.

EUROPLEX CINEMAS (UK) LIMITED

Notes to the accounts at 31 December 2002

9 Creditors: amounts falling due within one year	2002 £	2001 £
Trade creditors	11,274	74,409
Other taxes and social security costs	24,778	34,988
Corporation tax	51,735	24,800
Accruals	81,627	5,721
	<u>169,414</u>	<u>139,918</u>

10 Provision for liabilities and charges

	Deferred taxation £	Onerous lease and other reorganisation costs £	Total £
At 1 January 2002	7,600	-	7,600
Arising in year	-	150,815	150,815
Utilised in year	(9,800)	-	(9,800)
	<u>(2,200)</u>	<u>150,815</u>	<u>148,615</u>
At 31 December 2002	(2,200)	150,815	148,615

Onerous lease and other reorganisation costs

The balance relates to onerous lease and reorganisation provisions and is expected to be utilised in the year 2003.

11 Share capital

	2002 Authorised £	2002 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>

EUROPLEX CINEMAS (UK) LIMITED

Notes to the accounts at 31 December 2002

12 Reconciliation of shareholders funds and movement on reserves

	Share Capital	Share Premium	Profit and Loss Account	Total Shareholders' Funds
	£	£	£	£
At 01 January 2001	7	389,280	46,132	435,419
Profit for the period	-	-	69,084	69,084
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2001	7	389,280	115,216	504,503
Profit for the year	-	-	94,985	94,985
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2002	7	389,280	210,201	599,488
	<hr/>	<hr/>	<hr/>	<hr/>

13 Other financial commitments

At 31 December 2002 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2002 £	Land and buildings 2001 £
Operating leases which expire:		
Within one year	-	-
In two to five years	46,200	121,983
After more than five years	-	-
	<hr/>	<hr/>
	46,200	121,983
	<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., Herengracht 206-216, 1016 BS, Amsterdam, The Netherlands.