



**ELECTRONEON SIGNS LIMITED**

**Report and Financial Statements**

**30 April 1999**

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



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**REPORT AND FINANCIAL STATEMENTS 1999**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

B C Jenkins  
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 year ended 30 April 1999.

**RESULTS AND DIVIDENDS**

The profit on ordinary activities after taxation for the year amounts to £24,892 (1998: profit £7,542). The directors do not recommend the payment of a dividend (1998: £nil).

**PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The principal activity of the company during the year under review was manufacturing and supply of display materials.

**DIRECTORS AND THEIR INTERESTS**

The directors who held office throughout the year 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.

**YEAR 2000**

The company's plans to deal with the impact arising from the year 2000 are well advanced and the cost of necessary changes will not be significant to the company.

**AUDITORS**

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

R E J Stanesby

Secretary

18 October 1999

**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

### ELECTRONEON SIGNS LIMITED

We have audited the financial statements on pages 5 to 13 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 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 1999 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*

Chartered Accountants and  
Registered Auditors

18 October 1999


**PROFIT AND LOSS ACCOUNT**  
**Year ended 30 April 1999**

	Note	1999 £	1998 £
<b>TURNOVER</b>	2	876,253	915,777
Cost of sales		(554,972)	(645,052)
<b>GROSS PROFIT</b>		321,281	270,725
Administrative expenses		(298,318)	(257,313)
<b>OPERATING PROFIT</b>	3	22,963	13,412
Interest receivable		3	-
Interest payable and similar charges	6	-	(1,198)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		22,966	12,214
Tax credit/(charge) on profit on ordinary activities	7	1,926	(4,672)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	16	24,892	7,542

Neither a statement of total recognised gains and losses nor 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 this year and for the preceding year.

All activities derive from continuing operations.



**BALANCE SHEET**  
**30 April 1999**

	Note	1999 £	1998 £
<b>FIXED ASSETS</b>			
Tangible assets	8	47,908	50,629
<b>CURRENT ASSETS</b>			
Stocks	9	91,447	84,197
Debtors	10	449,719	242,487
Cash at bank and in hand		2,581	8,933
		543,747	335,617
<b>CREDITORS: amounts falling due within one year</b>	11	(177,222)	(141,829)
<b>NET CURRENT ASSETS</b>		366,525	193,788
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		414,433	244,417
<b>CREDITORS: amounts falling due after more than one year</b>	12	(369,781)	(224,103)
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	14	(4,118)	(4,672)
		40,534	15,642
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	14,300	14,300
Profit and loss account	16	26,234	1,342
		40,534	15,642
Equity shareholders' funds		27,534	2,642
Non-equity shareholders' funds		13,000	13,000
<b>TOTAL SHAREHOLDERS' FUNDS</b>		40,534	15,642

These financial statements were approved by the Board of Directors on 15 October 1999.

Signed on behalf of the Board of Directors.

B C Jenkins  
Director



**NOTES TO THE ACCOUNTS****Year ended 30 April 1999****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.

**Depreciation**

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less residual value, of each asset over its expected useful life as follows:

Leasehold land and buildings	-	Over the lease term
Plant and machinery	-	10% on a reducing balance basis
Fixtures and fittings	-	10% on a reducing balance basis
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 using the liability method for all timing differences between the results as shown by the financial statements and those computed for taxation purposes, other than those differences which are expected to continue into the foreseeable future.

**Leasing and hire purchase commitments**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet as tangible fixed assets and are depreciated over the shorter of the lease terms or their useful economic lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the terms of the lease.

**Pensions**

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



**NOTES TO THE ACCOUNTS**

**Year ended 30 April 1999**

**2. TURNOVER**

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties in the United Kingdom. The turnover and pre-tax profit are attributable to the only activity of the company.

**3. OPERATING PROFIT**

This is stated after charging:

	1999 £	1998 £
Depreciation of tangible fixed assets	4,920	7,757
Depreciation of assets held under finance leases	6,207	5,472
Profit on disposal of fixed assets	(500)	-
Auditors' remuneration	2,500	7,000
Operating lease rentals:		
- land and buildings	24,000	24,000
- plant and machinery	1,776	3,175
	<u>252,067</u>	<u>220,793</u>

**4. STAFF COSTS**

	1999 £	1998 £
Wages and salaries	215,206	187,957
Social security costs	21,561	18,704
Other pension costs	15,300	14,132
	<u>252,067</u>	<u>220,793</u>

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

	No.	No.
Office management	7	6
Production	4	4
	<u>11</u>	<u>10</u>


**NOTES TO THE ACCOUNTS**
**Year ended 30 April 1999**
**5. DIRECTORS' REMUNERATION**

The directors are both employed and paid by Associated British Cinemas Limited.

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	1999 £	1998 £
Finance charges payable under finance leases and hire purchase contracts	-	1,198

**7. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES**

	1999 £	1998 £
The charge based on the profit for the year:		
Deferred tax	554	(4,672)
Adjustment in respect of prior years	1,372	-
	<u>1,926</u>	<u>(4,672)</u>

**8. TANGIBLE FIXED ASSETS**

	Leasehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost:</b>					
1 May 1998	20,216	89,556	6,981	44,323	161,076
Additions	-	8,406	-	-	8,406
Disposals	-	-	-	(10,975)	(10,975)
	<u>20,216</u>	<u>97,962</u>	<u>6,981</u>	<u>33,348</u>	<u>158,507</u>
30 April 1999	<u>20,216</u>	<u>97,962</u>	<u>6,981</u>	<u>33,348</u>	<u>158,507</u>
<b>Depreciation:</b>					
1 May 1998	20,216	53,285	5,457	31,489	110,447
Charge for the year	-	3,774	1,146	6,207	11,127
Disposals	-	-	-	(10,975)	(10,975)
	<u>20,216</u>	<u>57,059</u>	<u>6,603</u>	<u>26,721</u>	<u>110,599</u>
30 April 1999	<u>20,216</u>	<u>57,059</u>	<u>6,603</u>	<u>26,721</u>	<u>110,599</u>
<b>Net book value:</b>					
30 April 1999	<u>-</u>	<u>40,903</u>	<u>378</u>	<u>6,627</u>	<u>47,908</u>
30 April 1998	<u>-</u>	<u>36,271</u>	<u>1,524</u>	<u>12,834</u>	<u>50,629</u>

	1999 £	1998 £
The net book value above includes the following amount in respect of assets held under finance lease and hire purchase contracts:	6,628	12,100
The depreciation charged for the year on these assets amounted to:	<u>5,472</u>	<u>5,472</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 30 April 1999**

**9. STOCKS**

	1999 £	1998 £
Raw materials and consumables	78,083	78,302
Work in progress	13,364	5,895
	<u>91,447</u>	<u>84,197</u>

**10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	1999 £	1998 £
Trade debtors	155,186	109,757
Amounts owed by group undertakings	288,586	126,521
Other debtors	1,372	3,168
Prepayments and accrued income	4,575	3,041
	<u>449,719</u>	<u>242,487</u>

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

	1999 £	1998 £
Trade creditors	152,956	110,714
Corporation tax	1,398	-
Other taxes and social security	13,069	17,013
Obligations under finance leases and hire purchase contracts (see note 13)	306	3,677
Other creditors	496	1,129
Accruals and deferred income	8,997	9,296
	<u>177,222</u>	<u>141,829</u>

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

	1999 £	1998 £
Amounts owed to group undertakings	369,781	223,797
Obligations under finance leases and hire purchase contracts (see note 13)	-	306
	<u>369,781</u>	<u>224,103</u>



**NOTES TO THE ACCOUNTS**

**Year ended 30 April 1999**

**13. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS**

	1999 £	1998 £
Amounts payable within one year	306	3,677
Amounts payable between one and five years	-	306
	<u>306</u>	<u>3,983</u>
Less: finance charges allocated to future periods	-	-
	<u>306</u>	<u>3,983</u>
Finance leases and hire purchase contracts are analysed as follows:		
Current obligations	306	3,677
Amounts due after one year	-	306
	<u>306</u>	<u>3,983</u>

**14. PROVISION FOR LIABILITIES AND CHARGES**

	1999 £	1998 £
Deferred taxation	4,118	4,672
<b>Deferred taxation</b>		
At 1 May	4,672	-
Movement for the period	(554)	4,672
30 April	<u>4,118</u>	<u>4,672</u>

There are no amounts of unprovided deferred tax.



**NOTES TO THE ACCOUNTS**

**Year ended 30 April 1999**

**15. CALLED UP SHARE CAPITAL**

	1999 £	1998 £
<b>Authorised:</b>		
20,000 Ordinary shares of 10p each	2,000	2,000
13,000 10% Preference shares of £1 each	13,000	13,000
	<u>15,000</u>	<u>15,000</u>
<b>Allotted, called up and fully paid:</b>		
13,000 Ordinary shares of 10p each	1,300	1,300
13,000 10% Preference shares of £1 each	13,000	13,000
	<u>14,300</u>	<u>14,300</u>

**Redeemable Preference shares**

Redeemable Preference Shareholders are entitled to receive dividends in priority to the holders of any other class of share. The dividend will be equal to an annual rate of 10% of the issue price, on a fixed non cumulative basis.

In the event of a winding up of the company, or other return of capital, Preference Shareholders are entitled to receive an amount equal to the issue price. Such payment will be made in priority to that of any other class of share.

The holders of the Preference Shares shall not be entitled to receive notice of or to attend or vote at any General Meeting of the Company by virtue of their respective holdings of the Preference Shares.

**16. PROFIT AND LOSS ACCOUNT**

	1999 £	1998 £
At beginning of year	1,342	(6,200)
Retained profit for the year	24,892	7,542
	<u>26,234</u>	<u>1,342</u>

**17. COMMITMENTS UNDER OPERATING LEASES**

	1999 £	1998 £
At 30 April 1999 the company had annual commitments under non-cancellable operating leases as set out below:		
<b>Land and buildings:</b>		
Operating leases which expire after more than five years	24,000	24,000
	<u>24,000</u>	<u>24,000</u>
<b>Plant and machinery:</b>		
Operating leases which expire within one year	-	630
Operating leases which expire within two to five years	2,105	414
	<u>2,105</u>	<u>1,044</u>

**NOTES TO THE ACCOUNTS****Year ended 30 April 1999****18. PENSIONS**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £15,300 (1998 - £14,132).

**19. 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. Associated British Cinemas Limited is the ultimate parent company and controlling party.

Group financial statements of Associated British Cinemas Limited are available from 80 Great Portland Street, London, W1N 5PA.

**20. 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.

**ADDITIONAL INFORMATION**

The additional information on pages 15 and 16 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 1999**

	1999	1998
£	£	£
<b>TURNOVER</b>		
Sales	876,253	915,777
<b>COST OF SALES</b>		
Opening stock	84,197	90,786
Purchases - Raw Materials	505,513	578,140
Closing stock	(91,447)	(84,197)
Direct wages	51,721	55,093
National Insurance	4,989	5,230
	<u>(554,973)</u>	<u>(645,052)</u>
<b>GROSS PROFIT</b>	<b>321,280</b>	<b>270,725</b>
<b>ADMINISTRATIVE EXPENSES</b>		
Rent, rates and water	32,175	29,344
Light and heat	2,396	3,694
Insurance	8,068	7,952
Repairs and renewals	6,828	3,877
Staff salaries	163,487	132,864
Staff National Insurance	16,572	13,474
Staff pensions	15,300	14,132
Motor expenses	9,091	9,820
Travel and subsistence	870	506
Telephone	3,888	3,547
Postage, printing and stationery	6,970	5,574
Sundry expenses	4,455	1,861
Discount paid	285	276
Magazines and journals	1,816	2,296
Bad debt expenses	11,038	3,136
Bank charges	787	827
Legal and professional fees	1,260	3,400
Auditors' fees	2,500	7,000
Depreciation on plant and machinery	3,774	3,521
Depreciation on fixtures and fittings	1,146	1,380
Depreciation on motor vehicles	6,207	8,832
Profit on disposal of fixed assets	(300)	-
Discounts received	(296)	-
	<u>(298,317)</u>	<u>(257,313)</u>
<b>OPERATING PROFIT carried forward</b>	<b>22,963</b>	<b>13,412</b>



**TRADING PROFIT AND LOSS ACCOUNT**  
**Year ended 30 April 1999**

	1999	1998
	£	£
<b>OPERATING PROFIT brought forward</b>	22,963	13,412
<b>INTEREST RECEIVABLE</b>	3	-
<b>INTEREST PAYABLE</b>		
Hire purchases/finance lease charges	-	(1,198)
	<u>3</u>	<u>(1,198)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAX</b>	<u>22,966</u>	<u>12,214</u>