

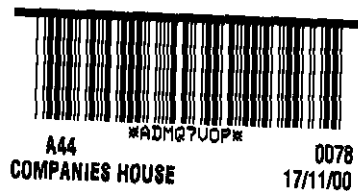
2278607

Howard Eaton Lighting Limited

Report and Financial Statements

Year Ended

31 March 2000



BDO Stoy Hayward
Chartered Accountants

HOWARD EATON LIGHTING LIMITED

Annual report and financial statements for the year ended 31 March 2000

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Directors

H Eaton
A Jacobi
S M Huffington
L E Eaton

Secretary and registered office

L E Eaton, Northside House, 69 Tweedy Road, Bromley, Kent BR1 3WA

Company number

2278607

Auditors

BDO Stoy Hayward, Northside House, 69 Tweedy Road, Bromley, Kent BR1 3WA

HOWARD EATON LIGHTING LIMITED

Report of the directors for the year ended 31 March 2000

The directors present their report together with the audited financial statements for the year ended 31 March 2000.

Results and dividends

The profit for the year after tax amounted to £18,089 (1999 – loss £1,613) which has been added to the loss brought forward, resulting in surplus net assets.

The company directors are unable to recommend the payment of a dividend.

Principal activities, trading review and future developments

The principal activities of the company are the provision of theatrical lighting design and installation services.

The company intends to expand its activities and further restructure its operations in the coming year.

Charitable donations

During the year donations totalling £500 were made to charitable organisations.

Directors

The directors of the company during the year were:

	Ordinary shares of £1 each	
	31 March 2000	1 April 1999
H Eaton	99	99
A Jacobi	-	-
S M Huffington	-	-
L E Eaton	1	1

HOWARD EATON LIGHTING LIMITED

Report of the directors for the year ended 31 March 2000 (*Continued*)

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 period. In preparing those financial statements, the directors are required to:

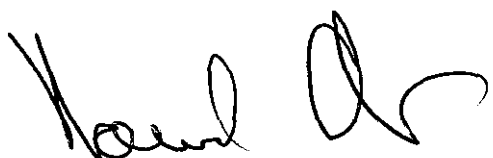
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board



Howard Eaton
Director

Date :

HOWARD EATON LIGHTING LIMITED

Report of the auditors

To the shareholders of Howard Eaton Lighting Limited

We have audited the financial statements on pages 4 to 11 which have been prepared under the accounting policies set out on pages 6 and 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the 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 the company's affairs as at 31 March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO STOY HAYWARD
*Chartered Accountants
and Registered Auditors*
Bromley

Date: 2/11/2000

HOWARD EATON LIGHTING LIMITED**Profit and loss account for the year ended 31 March 2000**

	Note	2000 £	1999 £
Turnover		914,250	966,928
Cost of sales		(720,130)	(823,541)
Gross profit		194,120	143,387
Distribution costs		(12,617)	(12,549)
Administrative expenses		(155,487)	(125,483)
Operating profit/(loss)	3	26,016	(5,355)
Interest payable and similar charges	5	(5,210)	(6,551)
Interest receivable and similar charges	4	53	30
Profit/(loss) on ordinary activities before taxation		20,859	(1,166)
Taxation on profit/(loss) from ordinary activities	6	(2,770)	(447)
Profit/(loss) on ordinary activities after taxation		18,089	(1,613)
(Loss)/ profit brought forward		(884)	729
Retained profit/(loss) for the year		17,205	(884)

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

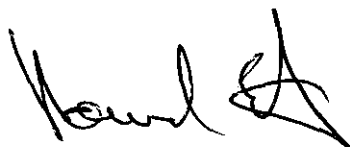
The notes on pages 6 to 11 form part of these financial statements.

HOWARD EATON LIGHTING LIMITED

Balance sheet at 31 March 2000

	Note	2000	1999
		£	£
Fixed assets			
Tangible assets	7	15,986	12,724
Current assets			
Stocks	8	113,800	67,464
Debtors	9	114,593	117,287
Cash at bank and in hand		486	43,334
		<u>228,879</u>	<u>228,085</u>
Creditors: amounts falling due within one year	10	<u>(204,387)</u>	<u>(210,764)</u>
Net current assets		<u>24,492</u>	<u>17,321</u>
Total assets less current liabilities		<u>40,478</u>	<u>30,045</u>
Creditors: amounts falling due after more than one year	11	<u>(23,173)</u>	<u>(30,829)</u>
Net assets/(liabilities)		<u>17,305</u>	<u>(784)</u>
Capital and reserves			
Called up share capital	12	100	100
Profit and loss account		17,205	(884)
Equity shareholders' funds		<u>17,305</u>	<u>(784)</u>

The financial statements were approved by the Board on 11/1/00 2000.



Howard Eaton
Director

The notes on pages 6 to 11 form part of these financial statements.

HOWARD EATON LIGHTING LIMITED

Notes forming part of the financial statements for the year ended 31 March 2000

1 Accounting policies

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

Turnover

Turnover represents sales to outside customers at invoiced amounts less value added tax.

Depreciation

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

Plant and equipment	- 25% on cost.
Computer equipment	- 25% on cost.
Motor vehicles	- 25% on cost.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, to the extent that it is probable that a liability or asset will crystallise.

Work in progress

Work in progress is valued at the lower of cost and net realisable value. It comprises of labour and other associated costs.

HOWARD EATON LIGHTING LIMITED

Notes forming part of the financial statements for the year ended 31 March 2000 (Continued)

1 Accounting policies (Continued)

Leased assets

Assets used by the company which have been funded through finance leases are capitalised and the resulting lease obligations are included in creditors. Rentals payable under operating leases are charged to the profit and loss account as incurred.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

2 Employees

	2000 £	1999 £
Staff costs (including directors) consist of:		
Wages and salaries	259,885	248,304
Social security costs	24,980	23,678
Other pension costs	27,192	23,585
	<u>312,057</u>	<u>295,567</u>

The average number of employees, including directors, during the year was 13 (1999 - 12).

3 Operating profit/(loss)

	2000 £	1999 £
This has been arrived at after charging/(crediting):		
Directors' emoluments	28,000	25,000
Auditors' remuneration	6,500	6,350
Hire of equipment – operating leases	1,286	2,972
Depreciation	10,961	9,423
	<u>46,747</u>	<u>43,745</u>

4 Interest receivable and similar charges

	2000 £	1999 £
Bank deposit interest	53	30
	<u>53</u>	<u>30</u>

HOWARD EATON LIGHTING LIMITED

Notes forming part of the financial statements for the year ended 31 March 2000 (Continued)

5 Interest payable and similar charges

	2000 £	1999 £
Bank loans and overdraft wholly repayable within five years	4,700	5,879
Finance charges on finance leases	510	672
	<u>5,210</u>	<u>6,551</u>

6 Taxation on profit/ (loss) from ordinary activities

	2000 £	1999 £
UK corporation tax payable at 20% (1999 - 21%)	4,081	-
Prior year adjustment	(1,311)	447
	<u>2,770</u>	<u>447</u>

7 Tangible assets

	Motor vehicles £	Computer equipment £	Plant and equipment £	Total £
<i>Cost or valuation</i>				
At 1 April 1999	31,153	53,643	54,608	139,404
Additions	7,995	-	6,228	14,223
Disposals	-	(13,396)	(557)	(13,953)
	<u>39,148</u>	<u>40,247</u>	<u>60,279</u>	<u>139,674</u>
At 31 March 2000				
<i>Depreciation</i>				
At 1 April 1999	28,004	50,718	47,958	126,680
Provided for the year	5,148	1,389	4,424	10,961
Disposals	-	(13,396)	(557)	(13,953)
	<u>33,152</u>	<u>38,711</u>	<u>51,825</u>	<u>123,688</u>
At 31 March 2000				
<i>Net book value</i>				
At 31 March 2000	<u>5,996</u>	<u>1,536</u>	<u>8,454</u>	<u>15,986</u>
At 31 March 1999	<u>3,149</u>	<u>2,925</u>	<u>6,650</u>	<u>12,724</u>

HOWARD EATON LIGHTING LIMITED

Notes forming part of the financial statements for the year ended 31 March 2000 (Continued)

7 Tangible assets (Continued)

Motor vehicles are held under finance leases and hire purchase contracts.

8 Stocks

	2000 £	1999 £
Raw materials	26,982	26,672
Work in progress	86,818	40,792
	<u>113,800</u>	<u>67,464</u>

9 Debtors

	2000 £	1999 £
Trade debtors	104,353	94,247
Other debtors	-	500
Prepayments and accrued income	10,240	22,540
	<u>114,593</u>	<u>117,287</u>

10 Creditors: amounts falling due within one year

	2000 £	1999 £
Bank loans and overdrafts (secured - see note 13)	20,287	15,000
Trade creditors	122,437	114,682
Other creditors	22,292	17,114
Hire purchase obligations	2,173	1,066
Corporation tax	4,081	11,508
Other taxes and society security costs	19,969	30,553
Accruals and deferred income	13,148	20,841
	<u>204,387</u>	<u>210,764</u>

The bank loan and overdraft are secured by a fixed and floating charge over the assets of the company.

HOWARD EATON LIGHTING LIMITED

Notes forming part of the financial statements for the year ended 31 March 2000 (*Continued*)

11 Creditors: amounts falling due after more than one year

	2000 £	1999 £
Hire purchase obligations - Within one to two years	2,173	-
- Within two to five years	1,137	-
Bank loan - Within one to two years	15,000	15,000
- Within two to five years	4,863	15,829
	<u>23,173</u>	<u>30,829</u>

The bank loan is repayable by monthly instalments of £1,250 until December 2002. The interest rate charged on the loans is 4.5% above the bank's base rate.

12 Share capital

	Authorised		Allotted, called up and fully paid	
	2000 £	1999 £	2000 £	1999 £
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>100</u>	<u>100</u>

13. Reconciliation of movements in shareholders' funds

A separate movement of shareholders' funds statements is not provided as there are no changes for the current or prior year other than the retained profit in the profit and loss account.

14 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.

15 Financial commitments

The amounts payable in the next year in respect of other operating leases are shown below, analysed according to the expiry date of the leases.

	2000 £	1999 £
within one year	896	441
1-2 years	-	2,151
2-5 years	-	-
	<u>896</u>	<u>2,592</u>

HOWARD EATON LIGHTING LIMITED

Notes forming part of the financial statements for the year ended 31 March 2000 *(Continued)*

16 Related parties and ultimate controlling party

The ultimate controlling party is H Eaton, a director, who holds 99% of the share capital of the company.

As at 31 March 2000, H Eaton, a director, was owed £16,693 by the company (1999 - £16,234).