

Howard Eaton Lighting Limited

Report and Financial Statements

Year Ended

31 March 2003

JBDO
BDO Stoy Hayward
Chartered Accountants



Howard Eaton Lighting Limited

Annual report and financial statements for the year ended 31 March 2003

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Directors

H Eaton
S M Huffington
A M Jacobi

Secretary and registered office

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

Company number

2278607

Auditors

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

Howard Eaton Lighting Limited

Report of the directors for the year ended 31 March 2003

The directors present their report together with the audited financial statements for the year ended 31 March 2003.

Results

The profit and loss account is set out on page 5 and shows the loss for the year.

Principal activities

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

Directors

The directors of the company during the year and their interests in the ordinary share capital of the company were:

	Ordinary shares of £1 each	
	31 March 2003	1 April 2002
H Eaton	99	99
S M Huffington	-	-
A M Jacobi	-	-

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.

Howard Eaton Lighting Limited

Report of the directors for the year ended 31 March 2003 (*Continued*)

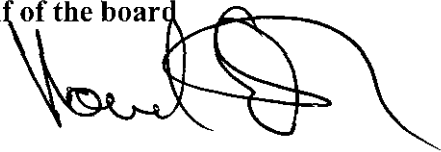
Auditors

On 31 December 2003, BDO Stoy Hayward, the company's auditors, transferred its business to BDO Stoy Hayward LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. Accordingly BDO Stoy Hayward resigned as auditors on that date and the directors appointed BDO Stoy Hayward LLP as its successor. A resolution to re-appoint BDO Stoy Hayward LLP as auditors will be proposed at the next annual general meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board

H Eaton



Director

28/1

2004.

Howard Eaton Lighting Limited

Report of the independent auditors

To the shareholders of Howard Eaton Lighting Limited

We have audited the financial statements of Howard Eaton Lighting Limited for the year ended 31 March 2003 on pages 5 to 11 which have been prepared under the accounting policies set out on pages 7 to 8.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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.

Howard Eaton Lighting Limited

Report of the independent auditors (*Continued*)

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 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO Stoy Hayward LLP

BDO STOY HAYWARD LLP

*Chartered Accountants
and Registered Auditors
Bromley*

29 January 2004.

Howard Eaton Lighting Limited**Profit and loss account for the year ended 31 March 2003**

	Note	2003 £	2002 £
Turnover	2	1,032,177	1,249,922
Cost of sales		891,932	1,062,838
Gross profit		140,245	187,084
Distribution costs		14,003	16,281
Administrative expenses		146,565	126,627
Operating (loss)/profit	3	(20,323)	44,176
Interest payable and similar charges	4	(7,698)	(5,495)
(Loss)/profit on ordinary activities before taxation		(28,021)	38,681
Taxation on (loss)/profit on ordinary activities		4,152	(4,000)
(Loss)/profit on ordinary activities after taxation		(23,869)	34,681
Dividends		-	32,000
(Accumulated loss)/retained profit	9	(23,869)	2,681
Retained profit brought forward	9	2,870	189
(Accumulated loss)/retained profit carried forward	9	(20,999)	2,870

All amounts relate to continuing activities.

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

There are no movements in shareholders' funds in the current and prior year apart from the loss/profit for the year.

The notes on pages 7 to 11 form part of these financial statements.

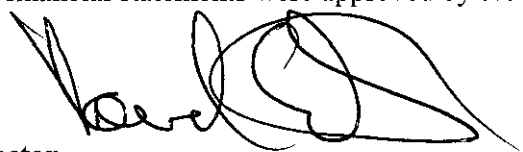
Howard Eaton Lighting Limited**Balance sheet at 31 March 2003**

	Note	2003 £	2003 £	2002 £	2002 £
Fixed assets					
Tangible assets	5		22,371		21,096
Current assets					
Stocks		47,182		57,884	
Debtors	6	120,111		152,059	
Cash at bank and in hand		497		492	
		<u>167,790</u>		<u>210,435</u>	
Creditors: amounts falling due within one year	7	<u>211,060</u>		<u>228,561</u>	
Net current liabilities			<u>(43,270)</u>		<u>(18,126)</u>
Total assets less current liabilities			<u>(20,899)</u>		<u>2,970</u>
Capital and reserves					
Called up share capital	8		100		100
Profit and loss account	9		(20,999)		2,870
Equity shareholders' funds	10		<u>(20,899)</u>		<u>2,970</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 28/1/2004.

Director



The notes on pages 7 to 11 form part of these financial statements.

1 Accounting policies

The financial statements have been prepared under the historical cost convention.

The following principal accounting policies have been applied:

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that it is a 'small' company under the Companies Act 1985.

Turnover

Turnover represents sales to external 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 tangible fixed assets, evenly over their expected useful lives. It is calculated at the following rates:

Plant & machinery	- 25% on cost
Motor vehicles	- 25% on cost
Office Equipment	- 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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

Howard Eaton Lighting Limited

Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)

1 Accounting policies (continued)

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

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.

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.

2 Turnover

Turnover arises solely within the United Kingdom.

3 Operating (loss)/profit

	2003 £	2002 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	11,165	13,003
Directors' emoluments and pensions	54,852	54,769
Auditors' remuneration	7,250	7,250
Hire of equipment - operating leases	-	1,201

There was 1 (2001 - 1) director in the company's defined contribution pension scheme during the year.

Howard Eaton Lighting Limited

Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)

4 Interest payable and similar charges

	2003 £	2002 £
Bank loans and overdrafts	7,125	4,922
Finance leases and hire purchase contracts	573	573
	<u>7,698</u>	<u>5,495</u>

5 Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
<i>Cost</i>				
At 1 April 2002	71,774	39,149	56,878	167,801
Additions	1,536	-	10,904	12,440
Disposals	-	(15,318)	-	(15,318)
	<u>73,310</u>	<u>23,831</u>	<u>67,782</u>	<u>164,923</u>
<i>Depreciation</i>				
At 1 April 2002	61,933	37,149	47,623	146,705
Provided for the year	4,655	2,000	4,510	11,165
Disposals	-	(15,318)	-	(15,318)
	<u>66,588</u>	<u>23,831</u>	<u>52,133</u>	<u>142,552</u>
<i>Net book value</i>				
At 31 March 2003	<u>6,722</u>	<u>-</u>	<u>15,649</u>	<u>22,371</u>
At 31 March 2002	<u>9,841</u>	<u>2,000</u>	<u>9,255</u>	<u>21,096</u>

Howard Eaton Lighting Limited

Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)

6 Debtors

	2003 £	2002 £
Trade debtors	99,295	152,059
Other debtors	20,816	-
	<u>120,111</u>	<u>152,059</u>

All amounts shown under debtors fall due for payment within one year.

7 Creditors: amounts falling due within one year

	2003 £	2002 £
Bank loans and overdrafts (secured)	35,176	53,052
Trade creditors	121,023	97,473
Taxation and social security	31,639	28,180
Obligations under finance lease and hire purchase contracts	-	1,137
Other creditors	23,222	48,719
	<u>211,060</u>	<u>228,561</u>

8 Share capital

	2003 £	Authorised 2002 £	Allotted, called up and fully paid 2003 £	2002 £
<i>Equity share capital</i>				
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>100</u>	<u>100</u>

Howard Eaton Lighting Limited

Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)

9 Reserves

	Profit and loss account £
At 1 April 2002	2,870
Loss for the year	(23,869)
At 31 March 2003	(20,999)

10 Reconciliation of movements in shareholders' funds

	2003 £	2002 £
(Loss)/profit for the year	(23,869)	34,681
Dividends	-	(32,000)
	(23,869)	2,681
Opening shareholders' funds	2,970	289
Closing shareholders' funds	(20,899)	2,970

11 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 charge represents contributions payable by the company to the fund and amounted to £29,407 (2002 - £29,660). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

12 Going concern

The company has incurred a pre tax loss in the year, amounting to £28,021 resulting in a net liability position at the balance sheet date of £20,899. Subsequent to the year end date the company has returned to profitability and the directors are optimistic that this will continue in the foreseeable future. As a consequence the directors are confident that the company can continue within its current facilities for the foreseeable future and consider it appropriate that the accounts are prepared on a going concern basis.