

REGISTRARS COPY

COMPANY NUMBER 2278607

Howard Eaton Lighting Limited

Report and Financial Statements

Year Ended

31 March 2004



IBDO
BDO Stoy Hayward
Chartered Accountants

Howard Eaton Lighting Limited

Annual report and financial statements for the year ended 31 March 2004

Contents

Page:

1	Report of the directors
3	Report of the independent auditors
5	Profit and loss account
6	Balance sheet
7	Notes forming part of the financial statements

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 2004

The directors present their report together with the audited financial statements for the year ended 31 March 2004.

Results

The profit and loss account is set out on page 5 and shows the profit 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 2004	1 April 2003
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

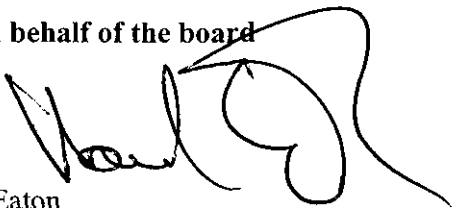
Report of the directors for the year ended 31 March 2004 *(Continued)*

Auditors

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

Date:

19/1/05

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 2004 on pages 5 to 12 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.

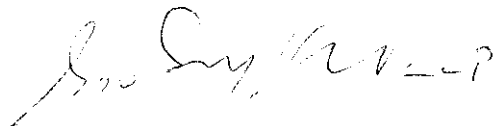
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BDO STOY HAYWARD LLP

*Chartered Accountants
and Registered Auditors*
Bromley

Date: 20/1/05

Howard Eaton Lighting Limited**Profit and loss account for the year ended 31 March 2004**

	Note	2004 £	2003 £
Turnover	2	1,046,301	1,032,177
Cost of sales		856,366	891,932
Gross profit		189,935	140,245
Distribution costs		10,334	14,003
Administrative expenses		154,176	146,565
Operating profit/(loss)	3	25,425	(20,323)
Interest payable and similar charges	4	(6,812)	(7,698)
Profit/(loss) on ordinary activities before taxation		18,613	(28,021)
Taxation on profit/(loss) on ordinary activities		-	4,152
Profit/(loss) on ordinary activities after taxation		18,613	(23,869)
(Accumulated loss)/retained profit brought forward	10	(20,999)	2,870
Accumulated loss carried forward	10	(2,386)	(20,999)

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 profit/loss for the year.

The notes on pages 7 to 12 form part of these financial statements.

Howard Eaton Lighting Limited

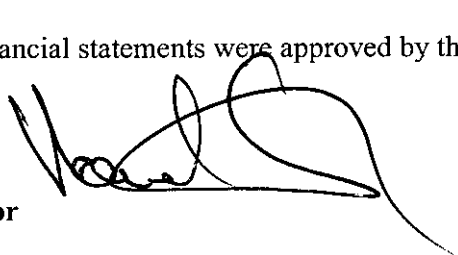
Balance sheet at 31 March 2004

	Note	2004 £	2004 £	2003 £	2003 £
Fixed assets					
Tangible assets	5		34,075		22,371
Current assets					
Stocks		44,807		47,182	
Debtors	6	205,856		120,111	
Cash at bank and in hand		501		497	
		<u>251,164</u>		<u>167,790</u>	
Creditors: amounts falling due within one year	7	<u>284,543</u>		<u>211,060</u>	
Net current liabilities			<u>(33,379)</u>		<u>(43,270)</u>
Total assets less current liabilities			696		(20,899)
Creditors: amounts falling due after more than one year	8		<u>2,982</u>		-
			<u>(2,286)</u>		<u>(20,899)</u>
Capital and reserves					
Called up share capital	9		100		100
Profit and loss account	10		(2,386)		(20,999)
Equity shareholders' funds			<u>(2,286)</u>		<u>(20,899)</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 19/1/2005.

Director



The notes on pages 7 to 12 form part of these financial statements.

Howard Eaton Lighting Limited

Notes forming part of the financial statements for the year ended 31 March 2004

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.

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.

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 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 are not discounted.

Howard Eaton Lighting Limited

Notes forming part of the financial statements for the year ended 31 March 2004 (*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

The company operates various defined contribution pension schemes for the benefit of its staff and one director. Contributions are charged to the profit and loss account in the year in which they become payable.

2 Turnover

Turnover arises solely within the United Kingdom.

3 Operating profit/(loss)

	2004 £	2003 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	17,498	11,165
Directors' emoluments and pensions	55,077	54,852
Auditors' remuneration	7,250	7,250
	<u> </u>	<u> </u>

The company operates a defined contribution executive pension scheme for 1 (2003 - 1) of its directors.

Howard Eaton Lighting Limited

Notes forming part of the financial statements for the year ended 31 March 2004 (*Continued*)

4 Interest payable and similar charges

	2004 £	2003 £
Bank loans and overdrafts	5,723	7,125
Finance leases and hire purchase contracts	1,089	573
	<u>6,812</u>	<u>7,698</u>

5 Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
<i>Cost</i>				
At 1 April 2003	73,310	23,831	67,782	164,923
Additions	4,448	-	24,754	29,202
	<u>77,758</u>	<u>23,831</u>	<u>92,536</u>	<u>194,125</u>
<i>Depreciation</i>				
At 1 April 2003	66,588	23,831	52,133	142,552
Provided for the year	4,369	-	13,129	17,498
	<u>70,957</u>	<u>23,831</u>	<u>65,262</u>	<u>160,050</u>
<i>Net book value</i>				
At 31 March 2004	<u>6,801</u>	<u>-</u>	<u>27,274</u>	<u>34,075</u>
At 31 March 2003	<u>6,722</u>	<u>-</u>	<u>15,649</u>	<u>22,371</u>

The net book value of tangible fixed assets includes an amount of £18,244 (2003 - £NIL) in respect of office equipment held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year was £6,019 (2003 - £NIL).

Howard Eaton Lighting Limited

Notes forming part of the financial statements for the year ended 31 March 2004 (*Continued*)

6 Debtors

	2004 £	2003 £
Trade debtors	165,028	99,295
Other debtors	40,828	20,816
	<u>205,856</u>	<u>120,111</u>

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

7 Creditors: amounts falling due within one year

	2004 £	2003 £
Bank overdraft (secured)	28,741	35,176
Trade creditors	155,131	121,023
Taxation and social security	46,382	31,639
Obligations under finance lease and hire purchase contracts	3,254	-
Directors' loans	27,462	-
Other creditors	23,573	23,222
	<u>284,543</u>	<u>211,060</u>

Howard Eaton Lighting Limited

Notes forming part of the financial statements for the year ended 31 March 2004 (*Continued*)

8 Creditors: amounts falling due after more than one year

	2004 £	2003 £
Obligations under finance lease and hire purchase contracts	2,982	-
	<u> </u>	<u> </u>
Maturity of debt:		
	Finance leases 2004 £	Finance leases 2003 £
In one year or less, or on demand	3,254	-
	<u> </u>	<u> </u>
In more than one year but not more than two years	2,982	-
	<u> </u>	<u> </u>

The bank overdraft is secured by a fixed and floating charge over the assets of the company and a personal guarantee of £63,000 provided by H Eaton.

9 Share capital

	2004 £	2003 £
<i>Authorised</i>		
<i>Equity share capital</i>		
1,000 ordinary shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>
	2004 £	2003 £
<i>Allotted, called up and fully paid</i>		
<i>Equity share capital</i>		
100 ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>

Howard Eaton Lighting Limited

Notes forming part of the financial statements for the year ended 31 March 2004 (*Continued*)

10 Reserves

	Profit and loss account £
At 1 April 2003	(20,999)
Profit for the year	18,613
At 31 March 2004	(2,386)

11 Pensions

The company operates defined contribution pension schemes for its staff and one director. The assets of the schemes are held separately from those of the company in independently administered funds. The pension charge represents contributions payable by the company to the funds and amounted to £24,045 (2003 - £24,139). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

12 Related party disclosures

Related party transactions and balances

As at 31 March 2004 the company owed Mr H Eaton £27,462 (2003 - £4,804 owed to the company), a director of the company. The amount outstanding at 31 March 2004 was the maximum amount owed by the company during the year. No interest has been charged during the year.

The company's bank overdraft is supported by a personal guarantee provided by H Eaton. At 31 March 2004 the value of the guarantee was £63,000.

13 Going concern

The company has generated a post tax profit in the year, amounting to £18,613. Since the year end, trading has remained positive, with a return to net assets, and the directors are optimistic that this will continue for 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.