

BRITISH FILM FESTIVAL LIMITED

DIRECTORS' REPORT AND ACCOUNTS

FOR THE PERIOD 1ST OCTOBER 2003 TO 31ST DECEMBER 2004

Company Number 1849885



LACOME & CO.  
Chartered Accountants and Registered Auditors

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BRITISH FILM FESTIVAL LIMITED

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## **BRITISH FILM FESTIVAL LIMITED**

### **REPORT OF THE DIRECTORS**

The Directors present their report with the audited financial statements of the Company for the period 1st October 2003 to 31st December 2004.

#### **PRINCIPAL ACTIVITY**

The Company continued its activity of arranging and supporting events to publicise cinema and promote cinema-going in the UK, with an emphasis on increasing frequency of visits and reaching new young cinema-goers.

During the period the Company entered into a Sponsorship Agreement with a major telecommunications Company in the UK.

During the period one Cinema Days' festival for regional press, radio and on-line journalists was organised in Sheffield, comprising preview screenings and press conferences with associated talent. A website ([www.cinemadays.com](http://www.cinemadays.com)) was established in the previous year which was updated and continued to give advance programme information to journalists and links to many other film/cinema industry websites.

#### **DIRECTORS**

The Directors in office during the period were as follows, none of whom held any beneficial interests in the ordinary share capital and no beneficial interest was held by any Director in the previous year:

**Mrs. D. Chalet**

**Mr. I. George**

**Mr. B. Jenkins**

**Mr. A.F. Pierce**

**Mr. J. Wilkinson**

Messrs. J. Wilkinson, A.F. Pierce, and Mrs. D. Chalet each held 1 share non-beneficially.

#### **FIXED ASSETS**

No fixed assets were acquired or disposed of during the year.

#### **DIVIDEND**

The Directors do not recommend the payment of a dividend.

**BRITISH FILM FESTIVAL LIMITED**

**REPORT OF THE DIRECTORS (CONTINUED)**

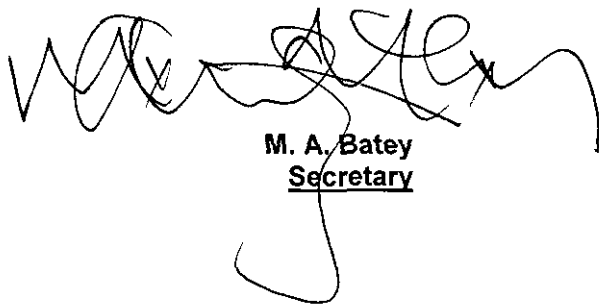
**DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS**

The Directors are required by law to prepare financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year. They are also responsible for ensuring that proper and adequate accounting records have been maintained, and that reasonable procedures have been followed for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities. Appropriate accounting policies, which comply with accounting standards and generally accepted accounting practice and are explained in notes on the Financial Statements, have been applied consistently. In addition, reasonable and prudent judgements and estimates have been used in the preparation of the financial statements.

**AUDITORS**

Lacome & Co. will be proposed for re-appointment at the Annual General Meeting in accordance with S.384 (1) of the Companies Act 1985.

**By Order of the Board**

A large, stylized handwritten signature in black ink, appearing to be 'M. A. Batey', is written over the printed name and title.

**M. A. Batey**  
**Secretary**

20th February 2005

**REPORT OF THE AUDITORS**  
**TO THE MEMBERS OF BRITISH FILM FESTIVAL LIMITED**

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 7 to 8.

**Respective Responsibilities of the 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 financial 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 Director 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 consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from 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 at 31st December 2004 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

20th February 2005

  
**Lacombe & Co.**  
**Chartered Accountants & Registered Auditors**

**BRITISH FILM FESTIVAL LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE PERIOD 1ST OCTOBER 2003 TO 31ST DECEMBER 2004**

|                                                                 |                     | <b>Period<br/>1.10.03<br/>to 31.12.04</b> | <b>Year Ended<br/>30.9.03</b> |
|-----------------------------------------------------------------|---------------------|-------------------------------------------|-------------------------------|
|                                                                 | <b><u>Notes</u></b> | <b>£</b>                                  | <b>£</b>                      |
| <b>TURNOVER</b>                                                 | <b>2.</b>           | 2966863                                   | 112700                        |
| Administrative Expenses                                         |                     | 1660756                                   | 326046                        |
|                                                                 |                     | -----                                     | -----                         |
| <b>PROFIT (LOSS) on Ordinary Activities<br/>before Taxation</b> | <b>3.</b>           | 1366107                                   | (213346)                      |
| Interest Received                                               |                     | 72954                                     | 3464                          |
|                                                                 |                     | -----                                     | -----                         |
|                                                                 |                     | 1379061                                   | (209882)                      |
| <b>TAXATION</b>                                                 | <b>4.</b>           | 39341                                     | -                             |
|                                                                 |                     | -----                                     | -----                         |
| <b>PROFIT (LOSS) on Ordinary Activities<br/>after Taxation</b>  |                     | 1339720                                   | (209882)                      |
| <b>RESERVES at 1st October 2003</b>                             |                     | 52327                                     | 262209                        |
|                                                                 |                     | -----                                     | -----                         |
| <b>RESERVES at 31st December 2004</b>                           |                     | £1392047                                  | £52327                        |
|                                                                 |                     | =====                                     | =====                         |

**CONTINUING OPERATIONS**

None of the Company's activities were acquired or discontinued during the current and previous years.

**TOTAL RECOGNISED GAINS AND LOSSES**

The Company has no other recognised gains or losses.

**The notes on pages 7 and 8 form part of these financial statements**

**BRITISH FILM FESTIVAL LIMITED**  
**BALANCE SHEET AT 31ST DECEMBER 2004**

|                                              |              | <u>31.12.04</u> | <u>30.09.03</u> |
|----------------------------------------------|--------------|-----------------|-----------------|
|                                              | <u>Notes</u> | £               | £               |
| <b>CURRENT ASSETS</b>                        |              |                 |                 |
| Debtors                                      | 5.           | 72758           | 17389           |
| Cash at Bank                                 |              | 1818384         | 49942           |
|                                              |              | -----           | -----           |
|                                              |              | 1891142         | 67331           |
| <b>CREDITORS</b>                             |              |                 |                 |
| Amounts falling due within one year          | 6.           | 499091          | 15000           |
|                                              |              | -----           | -----           |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |              | <b>£1392051</b> | <b>£52331</b>   |
|                                              |              | =====           | =====           |
| <b>SHARE CAPITAL AND RESERVES</b>            |              |                 |                 |
| Called Up Share Capital                      | 7.           | 4               | 4               |
| Profit and Loss Account                      |              | 1392047         | 52327           |
|                                              |              | -----           | -----           |
| <b>SHAREHOLDERS FUNDS</b>                    |              | <b>£1392051</b> | <b>£52331</b>   |
|                                              |              | =====           | =====           |

Approved by the Board of Directors on ~~20th~~ February 2005

.....Director  
Mr B. Jenkins

.....Director  
Mr J. Wilkinson

The notes on pages 7 and 8 form part of these financial statements

**BRITISH FILM FESTIVAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD 1ST OCTOBER 2003 TO 31ST DECEMBER 2004**

**1. ACCOUNTING POLICIES**

**a) Basis of Accounting**

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

**b) Income**

Only income relating to the Film Festivals held during the year has been brought into these financial statements.

**2. TURNOVER**

The turnover is attributable to fees charged to companies participating in the Film Festivals and Sponsorship Fees received, excluding Value Added Tax, and is analysed as follows:-

|                                       | Period<br>1.10.03<br>to 31.12.04<br>£ | Year Ended<br>30.9.03<br>£ |
|---------------------------------------|---------------------------------------|----------------------------|
| Sponsorship                           | 2931563                               | -                          |
| Participation Fees for Film Festivals | 35300                                 | 112700                     |
|                                       | -----                                 | -----                      |
|                                       | £2966863                              | £112700                    |
|                                       | =====                                 | =====                      |

**3. PROFIT**

The operating profit is stated after charging:

|                              | £     | £     |
|------------------------------|-------|-------|
| Auditors' Remuneration       |       |       |
| - Audit and Accountancy Fees | £5000 | £4000 |
| - Other Services             | £5000 | £5200 |
|                              | ===== | ===== |

**4. TAXATION**

Provision has been made for United Kingdom Corporation Tax based on the adjusted profit for the period, after taking account of losses brought forward.



**BRITISH FILM FESTIVAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD 1ST OCTOBER 2003 TO 31ST DECEMBER 2004**  
**(CONTINUED)**

**5. DEBTORS**

|               | <u>2004</u> | <u>2003</u> |
|---------------|-------------|-------------|
|               | £           | £           |
| Trade Debtors | 2792        | 2792        |
| Other Debtors | 69966       | 14597       |
|               | -----       | -----       |
|               | £72758      | £17389      |
|               | =====       | =====       |

**6. CREDITORS: Amounts falling due within one year**

|                 | £       | £     |
|-----------------|---------|-------|
| Accruals        | 459750  | 15000 |
| Corporation Tax | 39341   | -     |
|                 | -----   | ----- |
|                 | £499091 | £1500 |
|                 | =====   | ===== |

**7. CALLED UP SHARE CAPITAL**

|                                        | £     | £     |
|----------------------------------------|-------|-------|
| <b>Authorised</b>                      |       |       |
| 1000 Ordinary Shares of £1 each        | £1000 | £1000 |
|                                        | ----- | ----- |
| <b>Allotted, Issued and Fully Paid</b> |       |       |
| 4 Ordinary Shares of £1 each           | £4    | £4    |
|                                        | ----- | ----- |

**8. RELATED PARTY TRANSACTIONS**

During the year, the Company paid fees to Film Education of £839600 and Cinema Marketing Agency Limited of £699001 which are incorporated in the United Kingdom, and of which three of the Directors of British Film Festival Limited are also Directors of that Company.