

BRITISH FILM FESTIVAL LIMITED

DIRECTORS REPORT AND ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2000

Company Number 1849885

LACOME & CO.
Chartered Accountants and Registered Auditors

**116 Totteridge Lane
Totteridge
London
N20 8JH**



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COMPANIES HOUSE**

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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 year ended 30th September 2000.

PRINCIPAL ACTIVITY

During the year under review the Company continued its activity of publicising films to Regional Press and Radio journalists. In addition to this, the Sponsorship/Promotion agreement with a major Bank under the terms of which the Company receives amounts to be used for the promotion of Cinema and Cinema-going was terminated during the year.

DIRECTORS

The Directors in office during the year 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 (appointed 28th October 1999)

Mr. S. Fishman

Mrs. M.B. Kirchner

Mr. J. Mahony

Mr. A. Poulter (resigned 1st October 1999)

Mr. J. Wilkinson

Messrs. S. Fishman, J. R. C. Higgins, Mrs. D. Chalet and Mr. J. Mahony each held 1 share non-beneficially.

Mr. J. Mahony resigned on 16th October 2000.

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



28th November 2000

D. Hunt
Secretary

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 1, 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 30th September 2000 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

28th November 2000


Lacome & Co.
Chartered Accountants & Registered Auditors

BRITISH FILM FESTIVAL LIMITED
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30TH SEPTEMBER 2000

	<u>Notes</u>	<u>2000</u> £	<u>1999</u> £
INCOME	2.	584850	1380850
Administrative Expenses		662672 -----	1053955 -----
(DEFICIT) SURPLUS on Ordinary Activities before Taxation	3.	(77822)	326895
Interest Received		79544 -----	105665 -----
		1722	432560
TAXATION	4.	248 -----	105298 -----
SURPLUS on Ordinary Activities after Taxation		1474	327262
RESERVES at 1st October 1999		1224261 -----	896999 -----
RESERVES at 30th September 2000		£1225735 =====	£1224261 =====

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

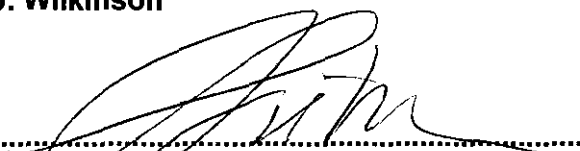
BRITISH FILM FESTIVAL LIMITED

BALANCE SHEET AT 30TH SEPTEMBER 2000

		<u>2000</u>	<u>1999</u>
	<u>Notes</u>	£	£
CURRENT ASSETS			
Debtors	5.	42173	30260
Cash at Bank		1194094	1321396
		-----	-----
		1236267	1351656
CREDITORS			
Amounts falling due within one year	6.	10528	127391
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		£1225739	£1224265
		=====	=====
SHARE CAPITAL AND RESERVES			
Called Up Share Capital	7.	4	4
Income and Expenditure Account		1225735	1224261
		-----	-----
		£1225739	£1224265
		=====	=====

Approved by the Board of Directors on 28th November 2000


.....Director
J. Wilkinson


.....Director
S. Fishman

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

BRITISH FILM FESTIVAL LIMITED
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 30TH SEPTEMBER 2000

	<u>2000</u>	<u>1999</u>
	£	£
SOURCE OF FUNDS		
Surplus on Ordinary Activities, before Taxation	1722 -----	432560 -----
TOTAL GENERATED BY OPERATIONS	1722	432560
APPLICATION OF FUNDS		
Corporation Tax Paid	105298 -----	61137 -----
	£(103576) =====	£371423 =====
MOVEMENT IN WORKING CAPITAL		
Debtors	11913	(124829)
Creditors	11813 -----	933152 -----
	23726	808323
Movement in Net Liquid Funds		
Cash at Bank	(127302) -----	(436900) -----
	£(103576) =====	£371423 =====

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

BRITISH FILM FESTIVAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2000

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 and Sponsorship Fees has been brought into these financial statements. Amounts invoiced in respect of a Film Festival held in the following year have been carried forward.

2. INCOME

The income is attributable to fees charged to companies participating in the Film Festivals and Sponsorship Fees received, excluding Value Added Tax.

The Company's income is analysed as follows:-

	<u>2000</u> £	<u>1999</u> £
Participation Fees for Film Festivals	111894	80850
Sponsorship Fees	472956	1300000
	-----	-----
	£584850	£1380850
	=====	=====

3. SURPLUS

The operating surplus is stated after charging:

	£	£
Auditors' Remuneration		
- Audit and Accountancy Fees	£5000	£5000
- Other Services	£4200	£4200
	=====	=====

4. TAXATION

Provision has been made for UK Corporation Tax at 28% and 10% based on the adjusted surplus for the year.

BRITISH FILM FESTIVAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2000 (CONTINUED)

5.DEBTORS

	<u>2000</u>	<u>1999</u>
	£	£
Trade Debtors	10724	7022
Other Debtors	31449	23238
	<u>£42173</u>	<u>£30260</u>
	<u>=====</u>	<u>=====</u>

6. CREDITORS: Amounts falling due within one year

	£	£
Accruals	10280	22093
Corporation Tax	248	105298
	<u>£10528</u>	<u>£127391</u>
	<u>=====</u>	<u>=====</u>

7. CALLED UP SHARE CAPITAL

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