

BRITISH FILM FESTIVAL LIMITED
DIRECTORS REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30TH SEPTEMBER 1997
Company Number 1849885



LACOME & CO.
Chartered Accountants and Registered Auditor
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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 1997.

#### **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 was extended with a major Bank under the terms of which the Company receives amounts to be used for the promotion of Cinema and Cinema-going.

#### **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:

**Mr. S. Fishman**

**Mr. J.R.C. Higgins**

**Mrs. M.B. Kirchner**

**Mr. J. Mahony**

**Mr. A. Poulter**

**Mr. J. Wilkinson**

Messrs. S. Fishman, J. R. C. Higgins, A. Poulter and J. Mahony 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.

#### **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

  
**D. Hunt**  
**Secretary**

15th December 1997

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

We have audited the financial statements on pages 3 to 7 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 6 to 7.

**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 1997 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

15th December 1997

  
**Lacome & Co.**  
**Chartered Accountants & Registered Auditor**

**BRITISH FILM FESTIVAL LIMITED**  
**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 1997**

|                                                                 |              | <u>1997</u> | <u>1996</u> |
|-----------------------------------------------------------------|--------------|-------------|-------------|
|                                                                 | <u>Notes</u> | £           | £           |
| <b>INCOME</b>                                                   | <b>2.</b>    | 1654125     | 1759601     |
| Administrative Expenses                                         |              | 2029366     | 1733316     |
|                                                                 |              | -----       | -----       |
| <b>(DEFICIT) SURPLUS</b> on Ordinary Activities before Taxation | <b>3.</b>    | (375241)    | 26285       |
| Interest Received                                               |              | 47069       | 88316       |
|                                                                 |              | -----       | -----       |
|                                                                 |              | (328172)    | 114601      |
| <b>TAXATION</b>                                                 | <b>4.</b>    | 92994       | (29810)     |
|                                                                 |              | -----       | -----       |
| <b>(DEFICIT) SURPLUS</b> on Ordinary Activities after Taxation  |              | (235178)    | 84791       |
| <b>RESERVES</b> at 1st October 1996                             |              | 893709      | 808918      |
|                                                                 |              | -----       | -----       |
| <b>RESERVES</b> at 30th September 1997                          |              | £658531     | £893709     |
|                                                                 |              | ===         | ===         |

**CONTINUING OPERATIONS**

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

**TOTAL RECOGNISED GAINS AND LOSSES**

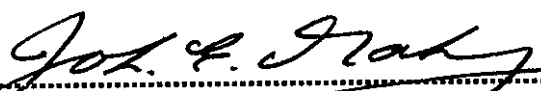
The Company has no other recognised gains or losses.

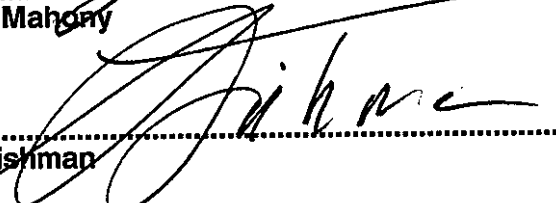
The notes on pages 6 and 7 form part of these financial statements

**BRITISH FILM FESTIVAL LIMITED**  
**BALANCE SHEET AT 30TH SEPTEMBER 1997**

|                                              | <u>Notes</u> | <u>1997</u><br>£      | <u>1996</u><br>£      |
|----------------------------------------------|--------------|-----------------------|-----------------------|
| <b>CURRENT ASSETS</b>                        |              |                       |                       |
| Debtors                                      | 5.           | 236416                | 58065                 |
| Cash at Bank                                 |              | 551226                | 1008855               |
|                                              |              | <u>787642</u>         | <u>1066920</u>        |
| <b>CREDITORS</b>                             |              |                       |                       |
| Amounts falling due within one year          | 6.           | 129107                | 173207                |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |              | <u>£658535</u><br>=== | <u>£893713</u><br>=== |
| <b>SHARE CAPITAL AND RESERVES</b>            |              |                       |                       |
| Called Up Share Capital                      | 7.           | 4                     | 4                     |
| Income and Expenditure Account               |              | 658531                | 893709                |
|                                              |              | <u>£658535</u><br>=== | <u>£893713</u><br>=== |

Approved by the Board of Directors on 15th December 1997.

  
.....Director  
J.E. Mahony

  
.....Director  
S. Fishman

The notes on pages 6 and 7 form part of these financial statements

**BRITISH FILM FESTIVAL LIMITED**  
**STATEMENT OF SOURCE AND APPLICATION OF FUNDS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 1997**

|                                                           | <b><u>1997</u></b> | <b><u>1996</u></b> |
|-----------------------------------------------------------|--------------------|--------------------|
|                                                           | <b>£</b>           | <b>£</b>           |
| <b>SOURCE OF FUNDS</b>                                    |                    |                    |
| (Deficit) Surplus on Ordinary Activities, before Taxation | (328172)           | 114601             |
|                                                           | -----              | -----              |
| <b>TOTAL GENERATED BY OPERATIONS</b>                      | (328172)           | 114601             |
| <b>APPLICATION OF FUNDS</b>                               |                    |                    |
| Corporation Tax Paid                                      | 29810              | 233672             |
|                                                           | -----              | -----              |
|                                                           | £(357982)          | £(119071)          |
|                                                           | ===                | ===                |
| <b>MOVEMENT IN WORKING CAPITAL</b>                        |                    |                    |
| Debtors                                                   | 85357              | 2812               |
| Creditors                                                 | 14290              | (47700)            |
|                                                           | -----              | -----              |
|                                                           | 99647              | (44888)            |
| <b>Movement in Net Liquid Funds</b>                       |                    |                    |
| Cash at Bank                                              | (457629)           | (74183)            |
|                                                           | -----              | -----              |
|                                                           | £(357982)          | £(119071)          |
|                                                           | ===                | ===                |

The notes on pages 6 and 7 form part of these financial statements

**BRITISH FILM FESTIVAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 1997**

**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>1997</u><br>£ | <u>1996</u><br>£ |
|---------------------------------------|------------------|------------------|
| Participation Fees for Film Festivals | 74125            | 73375            |
| Sponsorship Fees                      | 1580000<br>----- | 1686226<br>----- |
|                                       | £1654125<br>===  | £1759701<br>===  |

**3. (DEFICIT) SURPLUS**

The operating (deficit) surplus is stated after charging:

|                              | £            | £            |
|------------------------------|--------------|--------------|
| Auditors' Remuneration       |              |              |
| - Audit and Accountancy Fees | £4500<br>=== | £4000<br>=== |

**4. TAXATION**

The Company will be submitting a claim to the Inland Revenue to recover Corporation Tax paid in previous years.



**BRITISH FILM FESTIVAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 1997 (CONTINUED)**

**5. DEBTORS**

|               | <u>1997</u> | <u>1996</u> |
|---------------|-------------|-------------|
|               | £           | £           |
| Trade Debtors | 33194       | 27466       |
| Other Debtors | 203222      | 30599       |
|               | -----       | -----       |
|               | £236416     | £58065      |
|               | ==          | ==          |

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

|                 | £       | £       |
|-----------------|---------|---------|
| Trade Creditors | 28500   | 23625   |
| Accruals        | 100607  | 119772  |
|                 | -----   | -----   |
|                 | 129107  | 143397  |
| Corporation Tax | -       | 29810   |
|                 | -----   | -----   |
|                 | £129107 | £173207 |
|                 | ===     | ===     |

**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    |
|                                        | ----- | ----- |