

# Richard Attenborough Productions Limited

## FINANCIAL STATEMENTS

for the year ended

30 April 1998



# Richard Attenborough Productions Limited

## DIRECTORS AND OFFICERS

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### DIRECTORS

Lord Attenborough  
Lady Attenborough  
CE Fielding  
RJB Blake

### SECRETARY

RJB Blake

### COMPANY NUMBER

00489773 (England and Wales)

### REGISTERED OFFICE

Beaver Lodge  
Richmond Green  
Surrey TW9 1NQ

### AUDITORS

Baker Tilly  
Registered Auditor  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

### BANKERS

Barclays Bank plc  
Piccadilly Business Centre  
160 Piccadilly  
London W1A 2AB

### SOLICITORS

Theodore Goddard  
150 Aldersgate  
London EC1A 4EJ

# Richard Attenborough Productions Limited

## DIRECTORS' REPORT

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The directors submit their report and the financial statements of Richard Attenborough Productions Limited for the year ended 30 April 1998.

### PRINCIPAL ACTIVITIES

The company continues to carry on the business of film producing and directing. The company also provides the services of Lord Attenborough in the United Kingdom to other organisations in return for consultancy fees.

### REVIEW OF THE BUSINESS

As anticipated in last years review, the company's income during the year was substantially lower than in 1997. The directors expect a higher turnover in the year ending 30 April 1999.

### RESULTS AND DIVIDENDS

The results for the year are set out in the profit and loss account on page 5. The position at the end of the year is shown in the balance sheet on page 6. The directors do not recommend the payment of any dividend.

### DIRECTORS

The following directors have held office since 1 May 1997:

Lord Attenborough  
Lady Attenborough  
CE Fielding  
RJB Blake

### DIRECTORS' INTERESTS IN SHARES

Lady Attenborough holds 50 deferred shares of 5p each jointly with the parent undertaking. Lord and Lady Attenborough have an interest in the shares of the parent undertaking, which is disclosed in the parent undertaking's financial statements.

### AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the board



RJB BLAKE  
Director

23/2/99

# Richard Attenborough Productions Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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 period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 requirements of 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.

# AUDITORS' REPORT TO THE MEMBERS OF RICHARD ATTENBOROUGH PRODUCTIONS LIMITED

We have audited the financial statements on pages 5 to 15.

## **Respective responsibilities of directors and auditors**

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those 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 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 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. However, the evidence available to us was limited because we did not physically inspect the Fine Art Investments included in investments in the balance sheet at £2,511,777 and there were no satisfactory alternative auditing procedures that we could apply to confirm the existence of these investments and to confirm that they were properly recorded.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## **Qualified opinion arising from limitation in audit scope**

Except for any adjustments that might have been found necessary had we been able to obtain sufficient evidence concerning the Fine Art Investments in our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 April 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to Fine Art Investments:

- we have not obtained all the information and explanations that we consider necessary for the purpose of our audit; and
- we were unable to determine whether proper accounting records have been maintained.

*Baker Tilly*

**BAKER TILLY**

Registered Auditor  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

*24/2/99*

**Richard Attenborough Productions Limited**  
**PROFIT AND LOSS ACCOUNT**  
for the year ended 30 April 1998

	<i>Notes</i>	1998 £	1997 £
TURNOVER	1	340,386	1,501,272
Other operating expenses (net)	2	(569,825)	(923,338)
		<u>(229,439)</u>	<u>577,934</u>
Income from fixed asset investments	3	-	112,385
Other interest receivable and similar income	3	6,433	16,167
		<u>(223,006)</u>	<u>706,486</u>
Interest payable and similar charges	4	8,166	6,492
Amounts written off investments in theatrical productions		-	3,650
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	<u>(231,172)</u>	<u>696,344</u>
Taxation	7	-	(13,776)
RETAINED (LOSS)/PROFIT FOR THE YEAR	13	<u>(231,172)</u>	<u>682,568</u>

The operating loss for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

# Richard Attenborough Productions Limited

## BALANCE SHEET

30 April 1998

	Notes	1998 £	1997 £
<b>FIXED ASSETS</b>			
Tangible assets	8	277,775	281,676
Investments	9	2,747,259	2,659,691
		<u>3,025,034</u>	<u>2,941,367</u>
<b>CURRENT ASSETS</b>			
Film production costs		70,893	1,097,349
Debtors	10	436,150	337,597
Cash at bank and in hand		150,277	525,866
		<u>657,320</u>	<u>1,960,812</u>
<b>CREDITORS: Amounts falling due within one year</b>	11	<u>(3,858,923)</u>	<u>(4,847,576)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(3,201,603)</u>	<u>(2,886,764)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(176,569)</u>	<u>54,603</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	250	250
Profit and loss account	13	(176,819)	54,353
Shareholders' funds (including non-equity interests)	14	<u>(176,569)</u>	<u>54,603</u>

Approved by the board on 23-1-99

LORD ATTENBOROUGH

Director



# Richard Attenborough Productions Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold properties in accordance with applicable accounting standards.

Investment properties are accounted for in accordance with SSAP 19, "Accounting for Investment Properties", which provides that these should not be subject to periodic depreciation charges (unless held on lease), but should be shown at open market value. This is contrary to the Companies Act 1985 which states that, subject to any provision for depreciation or diminution in value, fixed assets are normally to be stated at purchase price or production cost. Current cost accounting or the revaluation of specific assets to market value, as determined at the date of their last valuation, is also permitted.

The treatment of investment properties under the Companies Act does not give a true and fair view as these assets are not held for consumption in the business but as investments, the disposal of which would not materially affect any manufacturing or trading operations of the enterprise. In such a case it is the current value of these investments, and changes in that current value, which are of prime importance. Consequently, for the proper appreciation of the financial position, the accounting treatment required by SSAP 19 is considered appropriate for investment properties.

Details of the current value and historical cost information for investment properties are given in Note 9.

### TANGIBLE FIXED ASSETS

Fixed assets include properties valued by the directors. Other fixed assets, other than investment properties, are stated at historical cost.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Land and buildings short-term leasehold	2% on building cost per annum
Freehold properties	2% on building cost per annum
Plant and machinery	10% on cost per annum
Fixtures, fittings and equipment	20% on cost per annum
Motor vehicles	20% on cost per annum

Investment properties are revalued annually by the directors on an open market basis. No depreciation is provided on freehold investment properties or leasehold investment properties.

### INVESTMENTS

Investments in fine arts and theatrical productions are stated at cost. Provision is made for any permanent diminution in the value of fixed asset investments.

### DEFERRED TAXATION

Provision is made for taxation deferred or accelerated by the effect of timing differences, to the extent that it is probable that a liability will crystallise, at the rate expected to be ruling at that date.

### PENSION CONTRIBUTIONS

The costs of providing pensions for employees are charged in the profit and loss account when incurred. Contributions are assessed on an annual basis and paid directly to an independently administered fund whose assets are held separately from those of the company.

### FOREIGN CURRENCY TRANSLATION

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the accounting date. Transactions in foreign currencies are recorded at the ruling rate at the date of the transaction. All differences arising are taken to the profit and loss account.

# Richard Attenborough Productions Limited

## ACCOUNTING POLICIES

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### TURNOVER

Turnover represents amounts receivable for fee income, film receipts, royalties and the sale of fine arts, and is stated net of Value Added Tax.

### FILM PRODUCTION COSTS

Costs of production are carried forward in the balance sheet until the film is released for commercial distribution. The costs will then be written off each year in a sum equal to the amount of revenue receivable in that year until such time as the film production cost has been fully written off. Any film production cost that is not likely to be recovered by film revenues is written off immediately.

### FILM PRODUCTION ADVANCES

Film production advances are repayable from revenues arising from the eventual commercial distribution of the film. The balances are carried forward as a creditor until that time. If the film production is aborted, advances are either repaid or taken to the profit and loss account.

# Richard Attenborough Productions Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 1998

### 1 TURNOVER

The company's turnover and (loss)/profit before taxation were all derived from its principal activity wholly undertaken in the United Kingdom.

	1998 £	1997 £
2 OTHER OPERATING EXPENSES (NET)		
Administration expenses	569,825	923,388
	<hr/>	<hr/>
3 (a) INCOME FROM FIXED ASSET INVESTMENTS		
Profit on investment in productions	-	470
Profit on disposal of fixed asset investments	-	111,915
	<hr/>	<hr/>
	-	112,385
	<hr/>	<hr/>
(b) INTEREST RECEIVABLE		
Bank interest	6,433	13,940
Other interest	-	2,227
	<hr/>	<hr/>
	6,433	16,167
	<hr/>	<hr/>
4 INTEREST PAYABLE		
On bank loans, overdrafts and other loans repayable within 5 years	7,676	6,492
Other interest	490	-
	<hr/>	<hr/>
	8,166	6,492
	<hr/>	<hr/>
5 (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
(Loss)/profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation and amounts written off tangible fixed assets:		
Charge for the year:		
owned assets	8,028	7,501
Net exchange losses/(gains)	5,545	(3,194)
Auditors' remuneration	5,000	5,000
	<hr/>	<hr/>

# Richard Attenborough Productions Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 1998

	1998 No.	1997 No.
<b>6 EMPLOYEES</b>		
The average weekly number of persons (including directors) employed by the company during the year was:		
Office and administration	2	2
Directors	4	4
Publicity	1	1
	<u>7</u>	<u>7</u>
	1998	1998
	£	£
Staff costs for the above persons:		
Wages and salaries	125,999	324,145
Social security costs	11,431	31,669
Other pension costs	3,136	3,120
	<u>140,566</u>	<u>358,934</u>
	1998	1997
	£	£
<b>DIRECTORS' REMUNERATION</b>		
Emoluments	<u>165,909</u>	<u>373,022</u>
	1998	1997
	£	£
The Chairman	<u>102,516</u>	<u>305,191</u>
<b>7 TAXATION</b>	1998	1997
	£	£
Based on the result for the year:		
UK corporation tax at 37.5%	-	3,745
US withholding tax	-	9,497
UK income tax suffered on interest receivable	-	534
	<u>-</u>	<u>13,776</u>

# Richard Attenborough Productions Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 1998

8	TANGIBLE FIXED ASSETS	<i>Land and buildings short-term leasehold</i>	<i>Freehold properties</i>	<i>Plant and machinery</i>	<i>Fixtures, fittings and equipment</i>	<i>Motor vehicles</i>	<i>Total</i>
		£	£	£	£	£	£
	Cost or valuation						
	1 May 1997	114,500	236,269	99,930	15,844	87,942	554,485
	Additions	-	-	-	4,127	-	4,127
	30 April 1998	114,500	236,269	99,930	19,971	87,942	558,612
	Depreciation						
	1 May 1997	22,000	47,743	99,930	15,194	87,942	272,809
	Charged in the year	2,290	4,725	-	1,013	-	8,028
	30 April 1998	24,290	52,468	99,930	16,207	87,942	280,837
	Net book value						
	30 April 1998	90,210	183,801	-	3,764	-	277,775
	30 April 1997	92,500	188,526	-	650	-	281,676
9	FIXED ASSET INVESTMENTS	<i>Theatrical Productions</i>	<i>Freehold Property</i>	<i>Fine Arts</i>	<i>Shares</i>	<i>Other</i>	<i>Total</i>
		£	£	£	£	£	£
	Cost:						
	1 May 1997	5,000	133,065	2,477,811	-	47,565	2,663,441
	Additions	2,500	54,839	33,966	13	-	91,318
	Disposals	(5,000)	-	-	-	-	(5,000)
	30 April 1998	2,500	187,904	2,511,777	13	47,565	2,749,759
	Amounts written off						
	1 May 1997	3,750	-	-	-	-	3,750
	Charged in the year	1,250	-	-	-	-	1,250
	Provisions no longer required	(2,500)	-	-	-	-	(2,500)
	30 April 1998	2,500	-	-	-	-	2,500
	Net book value						
	30 April 1998	-	187,904	2,511,777	13	47,565	2,747,259
	30 April 1997	1,250	133,065	2,477,811	-	47,565	2,659,691

The property assets included in fixed asset investments are treated as investment properties and they are valued by the directors' at their open market value.

In the opinion of the directors the value of the other investments is in excess of the amount stated in these financial statements.

# Richard Attenborough Productions Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 1998

	1998 £	1997 £
10 DEBTORS		
Due within one year:		
Trade debtors	-	8,329
Beaver Productions Limited	84,421	-
Lambeth Productions Limited	15,248	15,248
Marble Arch Productions Limited	13,502	17,155
Attenborough Securities Limited	113,826	88,826
Beaver Films Limited	1,243	1,223
Other debtors	144,147	152,466
Prepayments and accrued income	13,213	3,800
	<u>385,600</u>	<u>287,047</u>
Due in more than one year:		
Other debtors	50,550	50,550
	<u>436,150</u>	<u>337,597</u>

Ms Diana Hawkins, who is a director of Lambeth Productions Limited, Beaver Productions Limited, Piccadilly Productions Limited and Marble Arch Productions Limited, all of which are fellow subsidiaries with this company of Attenborough Holdings Limited, had a loan of £90,100 outstanding at the year end (1997: £90,100).

	1998 £	1997 £
11 CREDITORS: Amounts falling due within one year		
Bank loans and overdrafts	22,357	47,404
Trade creditors	800	74
Attenborough Holdings Limited	368,232	270,546
Attenborough Overseas Limited	3,055,351	2,903,184
Corporation tax	-	3,745
Other taxation and social security costs	329,035	300,168
Film production advances	-	1,029,567
Director's current account	15,332	15,061
Other creditors	37,964	37,964
Accruals and deferred income	29,852	239,863
	<u>3,858,923</u>	<u>4,847,576</u>

# Richard Attenborough Productions Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 1998

12	SHARE CAPITAL	1998 £	1997 £
	Authorised, issued and fully paid:		
	Equity:		
	100 ordinary shares of £1 each	100	100
	Non Equity:		
	100 4% non-cumulative preference shares of £1 each	100	100
	1,000 deferred shares of 5p each	50	50
		250	250
	Ordinary shares:		
	Dividends: The ordinary shareholders may receive a dividend of all the profits of the company available for distribution subject to the rights of the preference shareholders.		
	Winding up: The ordinary shareholders are entitled to repayment of the capital sum invested at par, on terms equal to those rights of the preference shareholders, but in priority to any repayment to the deferred shareholders.		
	Voting rights: The ordinary shareholders are entitled to vote at any general meeting of the company on the footing of one vote per share.		
	4% Non-Cumulative Preference shares:		
	Dividends: The preference shareholders are entitled to a fixed non-cumulative dividend of 4% of the nominal value of the shares.		
	Winding up: The preference shareholders have rights equating to those of the ordinary shareholders in priority on winding up and are entitled to receive repayment of the nominal value of the shares.		
	Voting rights: The ordinary shareholders are entitled to one vote at any general meeting of the company on the footing of one vote for every 10 shares.		
	Deferred shares:		
	Dividends: The deferred shareholders are not entitled to receive dividends.		
	Winding up: The deferred shareholders receive the remainder of the assets of the company after the rights of the ordinary and preference shareholders have been satisfied.		
	Voting rights: The deferred shareholders have the right to receive notice of and attend any general meeting of the company but are not entitled to vote unless there is a proposal to wind up the company. In such an event the deferred shareholders may have one vote per share and have the same rights to requisition meetings and propose resolutions as if they enjoy full voting rights.		
13	PROFIT AND LOSS ACCOUNT	1998 £	1997 £
	1 May 1997	54,353	(628,215)
	(Loss)/profit for the financial year	(231,172)	682,568
	30 April 1998	(176,819)	54,353

# Richard Attenborough Productions Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 1998

14	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	1998 £	1997 £
	(Loss)/profit after taxation	(231,172)	682,568
	Opening shareholders' funds	54,603	(627,965)
	Closing shareholders' funds	(176,569)	54,603
	Non-equity interests	50	50
	Equity interests	(176,619)	54,553
		(176,569)	54,603

## 15 PENSION COMMITMENTS

The company operates a defined contributions pension scheme whose assets are held in independent administered funds. The charge for the year was £3,136 (1997: £3,120).

## 16 GUARANTEE

The company has given an unlimited guarantee to its bankers in respect of the bank loans and overdrafts held by the following companies:

Attenborough Holdings Limited  
Marble Arch Productions Limited  
Attenborough Securities Limited  
Attenborough Overseas Limited

At 30 April 1998, the relevant bank loans and overdrafts totalled £174,670 (1997: £129,376).

## 17 ULTIMATE PARENT UNDERTAKING

In the opinion of the directors the ultimate parent undertaking is Attenborough Holdings Limited, a company registered in England and Wales, which is ultimately controlled by Lord Attenborough.

# Richard Attenborough Productions Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 1998

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### 18 RELATED PARTY TRANSACTIONS

The following companies are related parties by virtue of common control.

Attenborough Securities Limited  
Beaver Films Limited  
Shadowlands Productions Limited

- (a) at 1 May 1997 there was an interest-free loan of £88,826 due from Attenborough Securities Limited. In March 1998 a further advance of £25,000 was made to Attenborough Securities Limited and a balance of £113,826 remained outstanding as an interest-free loan to that company at 30 April 1998;
- (b) at 1 May 1997 there was an interest-free loan of £1,223 to Beaver Films Limited. During the year a further £20 was advanced and the balance of £1,243 remained outstanding at 30 April 1998;
- (c) throughout the year an amount of £16,026 was due from Shadowlands Productions Limited. Full provision against this has been made;
- (d) included in other debtors is a loan to M & J Holland of £25,625 (1997: £25,625). J Holland is the daughter of Lord Attenborough, a director;
- (e) included in other creditors is a loan from M Attenborough of £35,000 (1997: £35,000), M Attenborough is the son of Lord Attenborough, a director;
- (f) included in other debtors is a loan to The Richard Attenborough Charitable Trust of £650 (1997: £650) of which Lord Attenborough, a director, is a trustee;
- (g) included in other creditors is an amount of £15,332 (1997 £15,061) owed to Lord Attenborough, a director. During the period from 21 July 1997 to 23 January 1998 Lord Attenborough owed the company varying amounts. The maximum outstanding was £57,862 and no interest was charged on the balance outstanding from time to time;
- (h) during the year Lord Attenborough, a director, transferred 13 ordinary shares in Carpathian Limited to the company, at cost £13;
- (i) the company has taken advantage of the exemption conferred by Financial Reporting Standard 8 from disclosing details of transactions and balances with its immediate parent and fellow subsidiary undertakings.