

CINENOVA LIMITED

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REPORT AND ACCOUNTS  
YEAR ENDED 31 MARCH 1996

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Callaways  
CHARTERED ACCOUNTANTS



Company Number 1730697

CINENOVA LIMITED  
REPORT AND ACCOUNTS  
YEAR ENDED 31 MARCH 1996

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CINENOVA LIMITED  
REPORT AND ACCOUNTS  
YEAR ENDED 31 MARCH 1996

## DIRECTORS

M Trotter  
A Rahman  
E Burrows  
J Knight  
D Wearn  
P Graham  
L Harris  
C Merriman  
K Hayton

## SECRETARY

M Trotter

## AUDITORS

Callaways  
Chartered Accountants  
1 Whites Row  
London

## BANKERS

National Westminster Bank plc  
P.O Box 3241  
403 Bethnal Green Road  
London

## REGISTERED OFFICE

113 Roman Road  
London

CINENOVA LIMITEDDIRECTORS' REPORT

The directors present their report and the audited accounts for the year ended 31 March 1996.

LEGAL AND ADMINISTRATIVE INFORMATION

The company is limited by guarantee and has no share capital. Under the provisions of the company's Memorandum of Association each member would be required to contribute a sum not exceeding £1 for the payment of the debts of the company in event of a deficiency of assets on a winding up of the company.

Cinenova is a registered charity whose registration number is 1035742. We receive grant aid from the London Film and Video Development Agency. We have also received project funding from the British Film Institute, the Arts Council of England and Channel Four. During 1995-6 we prepared a major application to the National Lottery to up-date and refurbish our in-house viewing and video copying facilities.

COMMITTEE OF MANAGEMENT

The affairs of the company are conducted by a committee of management who act as directors of the company and trustees of the charity.

The persons who served on the council of management in the year were:

M Trotter (Accountant)	L Harris (Photographer)
A Rahman (Freelance Producer)	C Merriman (TV Editor)
D Wearn (TV Producer)	E Burrows (Film Archivist)
P Graham (University Lecturer)	K Hayton (University Lecturer)
J Knight (Snr University Lecturer)	

Maggie Warwick and Kate Norrish have been elected to the committee of management since the year end.

DIRECTORS RESPONSIBILITIES

The directors are required by company law to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss for that year. In preparing the accounts, suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements have been made.

The directors are also responsible for maintaining adequate accounting records, for safeguarding the assets of the Company, and for preventing and detecting fraud and other irregularities. The directors are satisfied that the company is a going concern.

NARRATIVE INFORMATION

Cinenova is Europe's foremost distributor specialising in independent films and videos directed by women. Cinenova is committed to the acquisition, promotion, distribution and exhibition of culturally diverse work. Cinenova promotes awareness of women's filmmaking accomplishments through international distribution networks, project initiatives and programming advice. We distribute the broadest range of film and videos from animation and experimental films to documentaries and feature film's.

CINENOVA LIMITEDDIRECTORS' REPORT

We distribute to independent cinemas and film clubs, international festivals and the education and training sector. Channel Four have bought several of our films and we now sell work to cultural channels worldwide.

Cinenova's other activities include regular screenings at London's Institute of Contemporary Arts national touring programmes, specialist programmes for festivals and occasional debates about women's filmmaking. Last year Cinenova released its second feature film, the Emmy award-winning 'Dialogues With Madwomen' which opened at the ICA and played in all major cities. We publish a 90 page catalogue that details our collection of almost 400 films and contains three specially commissioned essays on women's filmmaking.

Cinenova has a permanent staff of two: the Acquisition and Distribution Officer and the Finance and Marketing Officer. Both currently work a four day week although it is the intention to make the posts full-time should sufficient resources be found. Free-lancers are employed to carry out specific projects and we have a committed group of volunteers.

The audited accounts for 1995-6 show a deficit on the year. This is due to two significant project initiatives. Firstly, our application to the National Lottery that demanded additional staff time in research and preparation. That application has been successful and when implemented the project is due to increase self-generated income that will cover the deficit. The purchase of equipment with the lottery grant will significantly alter the company's balance sheet in our favour. Secondly, a visit to MIP TV Sales market Cannes in April 1995. The visit was intended to make contact with television programme buyers from around the world and introduce them to the Cinenova Although partially funded by a project grant from the LFVDA, Cinenova contributed to the cost of publicity and administration for the project. To date we have made two significant sales to European television channels as a result of the initiative, and we expect the benefits to continue. The cost of these projects apart, we are pleased with the increase in sales for the year and the reduction of the cost of those sales.

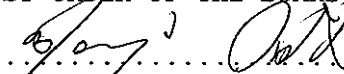
POST YEAR END EVENTS

Following the year end we received an award from the National Lottery through the Arts Council of England for £ 87,218 to up-date our video copying equipment to a multi-standard and multi-format suite and refurbish our in-house viewing facilities, work for which is currently being carried out. The equipment will comprise a self-contained and purpose-built Video Edit and Viewing Suite. As part of the 'per cent for art' scheme Cinenova will offer a commission to a filmmaker represented by Cinenova to produce a leader for its films and videos. The grant will enable Cinenova to extend the services currently offered to filmmakers and provide greater access to its collection of films and videos. There will be a comfortable viewing suite for visiting film curators, programmers and researchers with special provision for users with disabilities.

AUDITORS

A resolution to re-appoint Callaways as auditors will be put to the members at the Annual General Meeting.

BY ORDER OF THE BOARD

  
M Trotter - Secretary

Date: 29/1/97.....

AUDITORS REPORT  
TO THE MEMBERS OF CINENOVA LIMITED

We have audited the accounts on pages 5 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of the directors and auditors

As described in the Directors Report the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Fundamental Uncertainty

In forming our opinion, we have considered the adequacy of disclosures made in the accounts concerning the future financial support to be provided to the company by its directors and creditors. The accounts have been prepared on a going concern basis as explained in note 1 which also describes the nature of adjustments which would be necessary if this basis is inappropriate. The validity of the going concern basis is dependent on the continuing financial support of the company's directors and creditors, and the accounts do not include provision for any adjustments that would arise if this support were to cease. Our opinion is not qualified in this respect.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 March 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Callaways*

Callaways  
REGISTERED AUDITORS AND  
CHARTERED ACCOUNTANTS

London.

Date: 31 Jan. 97....

CINENOVA LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 1996

	<u>Notes</u>	<u>1996</u> £	<u>1995</u> £
TURNOVER	3	24,135	22,438
Cost of Sales		6,662	8,130
GROSS PROFIT		17,473	14,308
NET OPERATING EXPENSES			
Administrative Expenses		55,533	46,156
OPERATING LOSS	4	(38,060)	(31,848)
Interest Receivable		22	77
Grants Receivable		31,500	29,388
Defferred Income		-	1,568
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(6,538)	(815)
Tax on Profit/(Loss) on Ordinary Activities		-	-
RETAINED LOSS FOR THE FINANCIAL YEAR		(6,538)	(815)
Retained Profit brought forward		245	1,060
RETAINED (LOSS)/PROFIT CARRIED FORWARD		(6,293)	245

Turnover and operating loss derive wholly from continuing operations.

RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the loss attributable to members of the company of £ 6,538 in the year ended 31 March 1996 and of £ 815 in the year ended 31 March 1995.

The notes on pages 7 to 9 form part of these accounts.

CINENOVA LIMITEDBALANCE SHEET AS AT 31 MARCH 1996

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
		£	£
FIXED ASSETS			
Tangible Assets	5	790	1,770
CURRENT ASSETS			
Stock		200	200
Debtors	6	2,239	5,183
Cash at Bank and in Hand		4,067	3,446
		<u>6,506</u>	<u>8,829</u>
CREDITORS: Amounts falling due within one year	7	13,589	10,354
NET CURRENT LIABILITIES		<u>(7,083)</u>	<u>(1,525)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(6,293)</u>	<u>245</u>
CAPITAL AND RESERVES			
Profit and Loss Account		<u>(6,293)</u>	<u>245</u>
		<u>(6,293)</u>	<u>245</u>

Advantage has been taken, in the preparation of the accounts, of special exemptions applicable to small companies under Schedule 8, Part I of the Companies Act 1985 because in the opinion of the directors the company is entitled to make use of the special exemptions as a small company.

Approved by the board of directors on *29 Jan. 97* and signed on its behalf by:



.....  
- Director

The notes on pages 7 to 9 form part of these accounts.



CINENOVA LIMITEDNOTES FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 1996

## 1. BASIS OF ACCOUNTS

These accounts have been prepared on a going concern basis which assumes that the company will continue to trade. The validity of this assumption is dependent on sufficient and continuing financial support being made available by the company's creditors and the directors. If the company were unable to continue to trade adjustments would have to be made to reduce the value of assets to their realisable amount, to reclassify fixed assets as current assets and to provide for any further liabilities that may arise.

## 2. ACCOUNTING POLICIES

## Basis of Accounting

The Accounts have been prepared under the historical cost convention.

## Statement of Cash flows

The company qualifies as a small company under the Companies Act 1985, and accordingly, the directors have elected to take advantage of the exemption under FRS1 not to prepare a statement of Cash flows.

## Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Films	-	25% written down value
Plant and Machinery	-	25% written down value
Computer and Other Office Equipment	-	25% on cost

## Stock

Stocks are stated at the lower of cost and net realisable value as follows:

Costs incurred in bringing each product to its present location and condition:

Work in progress	-	cost of direct materials and labour plus
and finished goods		attributable overheads based on the normal level of activity

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

## Turnover

Turnover represents the invoiced amount of goods sold and services provided including value added tax.

## 3. TURNOVER

Turnover arises solely in the United Kingdom.

CINENOVA LIMITEDNOTES FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 1996

## 4. OPERATING PROFIT

This is stated after charging or crediting:

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Depreciation of Tangible Fixed Assets	1,207	1,208
Auditors Remuneration	1,118	1,223

Grant income was made up as follows:

	<u>1996</u>		<u>1995</u>	
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Restricted</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
LFVDA	28,000	-	26,968	-
MIP	-	2,500	-	2,000
Channel 4	-	1,000	-	-
Arts Council	-	-	-	420
	<u>28,000</u>	<u>3,500</u>	<u>26,968</u>	<u>2,420</u>

Management and Administration:

	<u>1996</u>		<u>1995</u>	
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Restricted</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Salaries and Wages	29,783	-	26,468	-
Other Costs	22,250	3,500	17,268	2,420
	<u>52,033</u>	<u>3,500</u>	<u>43,736</u>	<u>2,420</u>

For further details see attached detailed profit and loss account on page 9.

## 5. FIXED ASSETS

Tangible Assets

	<u>Films</u>	<u>Plant and</u>	<u>Other</u>	<u>TOTAL</u>
	<u>£</u>	<u>Equipment</u>	<u>Fixed</u>	<u>£</u>
	<u>£</u>	<u>£</u>	<u>Assets</u>	
<u>COST</u>				
At 1 April 1995	16,181	32,559	3,904	52,644
Additions in the year	-	-	232	232
At 31 March 1996	<u>16,181</u>	<u>32,559</u>	<u>4,136</u>	<u>52,876</u>
<u>DEPRECIATION</u>				
At 1 April 1995	16,163	31,883	2,828	50,874
Charge for the year	9	169	1,034	1,212
At 31 March 1996	<u>16,172</u>	<u>32,052</u>	<u>3,862</u>	<u>52,086</u>
<u>NET BOOK VALUE</u>				
At 31 March 1996	<u>9</u>	<u>507</u>	<u>274</u>	<u>790</u>
At 31 March 1995	<u>18</u>	<u>676</u>	<u>1,076</u>	<u>1,770</u>

CINENOVA LIMITEDNOTES FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 1996

## 6. DEBTORS: Amounts falling due within one year

	<u>1996</u>	<u>1995</u>
	£	£
Trade Debtors	2,096	5,040
Other Debtors and Prepayments	143	143
	<u>2,239</u>	<u>5,183</u>

## 7. CREDITORS: Amounts falling due within one year

	£	£
Trade Creditors	6,038	7,864
Other Creditors and Accruals	7,551	2,490
	<u>13,589</u>	<u>10,354</u>

## 8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	£	£
Loss for the financial year	(6,541)	(815)
Opening reserve funds	245	1,060
Closing reserve funds	<u>(6,296)</u>	<u>245</u>

## 9. CALLED UP SHARE CAPITAL

The company has no share capital and is limited by guarantee. Under the provisions of the company's Memorandum of Association each member would be required to contribute a sum not exceeding £1 for the payment of the debts of the company in the event a deficiency of assets on a winding up of the company.

## 10. RESTRICTED FUNDS

The company does not at present have any restricted funds.