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REGISTERED NUMBER
1412513
(England & Wales)

LUCASFILM (U.K.) LIMITED

ANNUAL REPORT AND ACCOUNTS

27TH MARCH 1994



WEST, WAKE, PRICE & CO.,
Chartered Accountants and
Registered Auditors,
LONDON

LUCASFILM (U.K.) LIMITED

DIRECTORS: G. Radley
B.H. Smith

SECRETARY: South Eastern Secretariat Limited

REGISTERED OFFICE: Room 581-599
Salisbury House
London Wall
London EC2M 5QU

REGISTERED NUMBER: 1412513 (England & Wales)

AUDITORS: West, Wake, Price & Co.
Chartered Accountants and
Registered Auditors
Salisbury House
London Wall
London EC2M 5QU

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27TH MARCH 1994

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LUCASFILM (U.K.) LIMITED

REPORT OF THE DIRECTORS

The directors submit their annual report and accounts of the company for the period ended 27th March, 1994.

PRINCIPAL ACTIVITY

The principal activities of the company were film production and the provision of services and equipment, and there was no significant change therein during the period.

REVIEW OF BUSINESS

The state of the company's affairs at the date of the balance sheet was satisfactory.

Full details of the loss for the period are set out in the profit and loss account on page 4.

DIVIDENDS

The directors do not recommend the payment of a dividend for the period ended 27th March, 1994.

DIRECTORS

The directors who have served during the period are shown below.

R.M.F. Fletcher	(Resigned 30th April, 1994)
G. Radley	

In addition B.H. Smith was appointed a director on 7th June, 1994

None of the directors has any interest in the shares of Lucasfilm (U.K) Limited.

In accordance with the company's Articles of Association the directors are not subject to retirement by rotation.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * prepare the accounts 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 accounts comply with 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.

LUCASFILM (U.K.) LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

AUDITORS

The auditors, Messrs. West, Wake, Price & Co., Chartered Accountants and Registered Auditors have expressed their willingness to continue in office. In accordance with the provisions of Section 385 of the Companies Act 1985, a resolution proposing their re-appointment as auditors of the company will be put to the annual general meeting.

Signed on behalf of the
Board of Directors

for and on behalf of

SOUTH EASTERN SECRETARIAT LIMITED

M. J. Peters

.....
South Eastern Secretariat Limited
Secretary

Approved by the Board: 21st July 1995

AUDITORS' REPORT

TO THE SHAREHOLDERS OF LUCASFILM (U.K.) LIMITED

We have audited the accounts on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1, 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.

OPINION

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 27th March 1994 and of its loss for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

West Wake Price & Co.

WEST, WAKE, PRICE & CO
Chartered Accountants and
Registered Auditors
London
21st July 1995

LUCASFILM (U.K.) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 27TH MARCH 1994

	<u>Notes</u>	<u>Period ended 27th March 1994</u>	<u>Period ended 28th March 1993</u>
TURNOVER	2	268,116	2,420,767
COST OF TURNOVER		136,885	1,679,775
STAFF COSTS	3	123,943	685,490
Other operating charges		31,764	34,525
		<u>292,592</u>	<u>2,399,790</u>
OPERATING (LOSS)/PROFIT	4	(24,476)	20,977
Interest receivable		<u>140</u>	<u>1,662</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(24,336)	22,639
Tax on profit on ordinary activities	5	<u>-</u>	<u>416</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(24,336)	22,223
Retained profit brought forward		<u>26,537</u>	<u>4,314</u>
RETAINED PROFIT CARRIED FORWARD		<u>£2,201</u>	<u>£26,537</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

LUCASFILM (U.K.) LIMITED

BALANCE SHEET

AT 27TH MARCH 1994

	<u>Notes</u>	<u>27th March 1994</u>	<u>28th March 1993</u>
FIXED ASSETS			
Tangible assets	6	1	1
CURRENT ASSETS			
Debtors	7	1,186,606	434,968
Cash at bank and in hand		121,325	230,565
		<u>1,307,931</u>	<u>665,533</u>
CURRENT LIABILITIES: amounts falling due within one year	8	<u>1,285,731</u>	<u>637,997</u>
NET CURRENT ASSETS		<u>22,200</u>	<u>27,536</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£22,201</u>	<u>£27,537</u>
CAPITAL AND RESERVES			
Called up share capital	9	20,000	1,000
Profit and loss account		2,201	26,537
	10	<u>£22,201</u>	<u>£27,537</u>

The accounts on pages 4 to 8 were approved by the Board of Directors on 21st July 1995 and signed on its behalf by:-



G. RADLEY
Director

LUCASFILM (U.K.) LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

(a) Accounts

These accounts have been prepared under the historical cost convention in accordance with applicable accounting standards.

(b) Depreciation

Depreciation has been provided to write off the cost of tangible fixed assets over their estimated useful lives, at 33 1/3% per annum of cost.

2. TURNOVER

Turnover represents the invoiced amount of services provided, excluding value added tax, and was derived from the principal activities of the company.

3. STAFF COSTS

	Period ended 27th March 1994	Period ended 28th March 1993
Wages and salaries	112,295	621,333
Social security costs	11,648	64,157
	<u>£123,943</u>	<u>£685,490</u>

The average weekly number of employees during the period was as follows:

Office and management	2	2
Production	4	16
	—	—
	6	18
	<u>=</u>	<u>=</u>

No emolument were paid to the directors

4. OPERATING (LOSS)/PROFIT

This is stated after charging:
Auditors' remuneration

<u>£2,500</u>	<u>£2,000</u>
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5. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

Based on the loss for the period:

U.K. corporation tax at the rate of 25%

<u>£—</u>	<u>£461</u>
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6. TANGIBLE FIXED ASSETS

Cost:

At 29th March 1993 and 28th March 1994

£6,295

Accumulated depreciation:

At 29th March 1993 and 27th March 1994

£6,294

Net book value:

At 27th March 1994

£1

At 28th March 1993

£1

LUCASFILM (U.K.) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

7. <u>DEBTORS</u>	<u>27th March 1994</u>	<u>28th March 1993</u>
Amounts falling due within one year:		
Film production expenditure	404,098	-
Amounts due from group companies	504,290	92,409
Other debtors	270,930	329,309
Prepayments and accrued income	7,288	13,250
	<u>£1,186,606</u>	<u>£434,968</u>

8. <u>CREDITORS</u>		
Amounts falling due within one year:		
Trade creditors	5,856	60,748
Taxation and social security	7,655	4,557
Amounts due to group companies:		
Film production advances	1,259,823	561,294
Other creditors	-	5,325
Accruals and deferred income	12,397	6,073
	<u>£1,285,731</u>	<u>£637,997</u>

9. <u>CALLED UP SHARE CAPITAL</u>		
Authorised:		
20,000 ordinary shares of £1 each	<u>£20,000</u>	<u>£1,000</u>
Alotted, called up and fully paid:		
20,000 ordinary shares of £1 each	<u>£20,000</u>	<u>£1,000</u>

A special resolution was passed on the 24th March 1994 to increase the authorised share capital to £20,000 by the creation of 19,000 ordinary shares of £1 each ranking pari passu for all purposes with existing shares and also to increase the issued share capital to £20,000 by the allotment of 19,000 ordinary shares of £1 each which was fully paid for at par.

10. <u>RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS</u>	<u>27th March 1994</u>	<u>28th March 1993</u>
Opening shareholders' funds at 29th March 1993	27,537	5,314
(Loss)/profit for the financial year after taxation	(24,336)	22,223
Allotment of ordinary shares	19,000	-
Closing shareholders' funds at 27th March 1994	<u>£22,201</u>	<u>£27,537</u>

11. ULTIMATE PARENT COMPANY
The company's ultimate parent company is Lucasfilm Limited, a United States Corporation.

LUCASFILM (U.K.) LIMITED

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 27TH MARCH 1994

	Notes	Period ended 27th March 1994	Period ended 28th March 1993			
Net cash outflow from operating activities	1	(128,380)	174,889			
Returns on investments and servicing of finance						
Interest received		140	1,662			
Net cash inflow from returns on investments and servicing of finance		140	1,662			
Net cash (outflow)/inflow before financing		(128,240)	176,551			
Financing increase in ordinary share capital						
Net cash inflow from financing		19,000	-			
		19,000	-			
(Decrease)/increase in cash and cash equivalents	3	£(109,240)	£176,551			
Notes to the cash flow statement						
1. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES						
Operating (loss)/profit		(24,476)	20,977			
(Increase)/decrease in debtors		(751,638)	122,824			
Increase in creditors		647,734	31,088			
Net cash outflow from operating activities		£128,380	£174,889			
2. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE PERIOD						
Balance at 29th March 1993		230,565	54,014			
Net cash (outflow)/inflow		(109,240)	176,551			
Balance at 27th March 1994		£121,325	£230,565			
3. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET						
	27th March 1994	28th March 1993	Change in period	27th March 1994	28th March 1993	Change in period
Cash at bank and in hand	27,898	17,841	10,057	17,841	1,217	16,624
Short term investments	93,427	212,724	(119,297)	212,724	52,797	159,927
	£121,325	£230,565	£(109,240)	£230,565	£54,014	£176,551