

REGISTERED NUMBER
1412513
(England & Wales)

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LUCASFILM (U.K.) LIMITED

ANNUAL REPORT AND ACCOUNTS

31ST MARCH 1996



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: Rooms 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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31ST MARCH 1996

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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 31st March, 1996.

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 3.

DIVIDENDS

The directors do not recommend the payment of a dividend for the period ended 31st March 1996.

DIRECTORS

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

G. Radley
B.H. Smith

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.

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 1995, a resolution proposing their re-appointment as auditors of the company will be put to the annual general meeting.

SMALL COMPANY EXEMPTIONS

The directors have taken advantage of the exemptions conferred by Part II of Schedule 8 to the Companies Act 1985.

Signed on behalf of the ~~Prof~~ and on behalf of

Board of Directors SOUTH EASTERN SECRETARIAT LIMITED

..... M. J. Peter SECRETARY
South Eastern Secretariat Limited
Secretary

Approved by the Board: 21st March 1997

AUDITORS' REPORT

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

We have audited the accounts on pages 3 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

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 31st March 1996 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 March 1997

LUCASFILM (U.K) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31ST MARCH 1996

	<u>Notes</u>	<u>Period ended 31st March 1996</u>	<u>Period ended 26th March 1995</u>
TURNOVER	2	2,693,233	659,055
Cost of turnover		2,693,233	651,767
Other operating charges		15,856	34,274
		<u>2,709,089</u>	<u>686,041</u>
OPERATING LOSS	3	(15,856)	(26,986)
Interest receivable		162	217
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(15,694)	(26,769)
Tax on loss on ordinary activities	4	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(15,694)	(26,769)
(Deficiency)retained profit brought forward		(24,568)	2,201
DEFICIENCY CARRIED FORWARD		<u>£(40,262)</u>	<u>£(24,568)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired 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

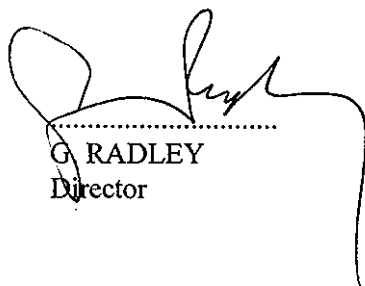
BALANCE SHEET

AT 31ST MARCH 1996

	<u>Notes</u>	<u>31st March 1996</u>	<u>26th March 1995</u>
FIXED ASSETS			
Tangible assets	5	1	1
CURRENT ASSETS			
Debtors	6	1,354,837	1,179,553
Cash at bank and in hand		399,756	11,820
		<u>1,754,593</u>	<u>1,191,373</u>
CURRENT LIABILITIES: amounts falling due within one year	7	<u>1,774,856</u>	<u>1,195,942</u>
NET CURRENT LIABILITIES		<u>(20,263)</u>	<u>(4,569)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£(20,262)</u>	<u>£(4,568)</u>
CAPITAL AND RESERVES			
Called up share capital	8	20,000	20,000
Profit and loss account		(40,262)	(24,568)
	9	<u>£(20,262)</u>	<u>£(4,568)</u>

The directors have taken advantage of the exemptions conferred by Part 1 of Schedule 8 to the Companies Act 1985, on the grounds that the company is entitled to the benefit of those exemptions as a small company.

The accounts on pages 3 to 7 were approved by the Board of Directors on 21st March 1997 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 and on a going concern basis which assumes the continued financial support of its ultimate parent company.

(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. OPERATING LOSS

This is stated after charging:

Auditors' remuneration

Period ended 31st March 1996	Period ended 26th March 1995
£2,500	£2,500

4. TAX ON LOSS ON ORDINARY ACTIVITIES

Based on the loss for the period:

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

£-	£-
=	=

5. TANGIBLE FIXED ASSETS

EQUIPMENT

Cost:

At 27th March 1995 and 31st March 1996

£6,295

Accumulated depreciation:

At 27th March 1995 and 31st March 1996

£6,294

Net book value:

At 31st March 1996

£1

At 26th March 1995

£1

LUCASFILM (U.K) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

	<u>31st March 1996</u>	<u>26th March 1995</u>
6. <u>DEBTORS</u>		
Amounts falling due within one year:		
Amounts due from group companies	990,485	898,591
Other debtors	364,352	280,962
	<u>£1,354,837</u>	<u>£1,179,553</u>
7. <u>CREDITORS</u>		
Amounts falling due within one year:		
Trade creditors	1,391	-
Taxation and social security	31,769	2,738
Amounts due to group companies:		
Film production advances	1,727,922	1,187,154
Accruals and deferred income	13,774	6,050
	<u>£1,774,856</u>	<u>£1,195,942</u>
8. <u>CALLED UP SHARE CAPITAL</u>		
Authorised:		
20,000 ordinary shares of £1 each	<u>£20,000</u>	<u>£20,000</u>
Allotted, called up and fully paid:		
20,000 ordinary shares of £1 each	<u>£20,000</u>	<u>£20,000</u>
9. <u>RECONCILIATION OF MOVEMENTS IN <u>SHAREHOLDERS' DEFICIENCY</u></u>	<u>31st March 1996</u>	<u>26th March 1995</u>
Opening shareholders' deficiency at 27th March 1995	(4,568)	22,201
Loss for the financial year after taxation	(15,694)	(26,769)
Closing shareholders' deficiency at 31st March 1996	<u>£(20,262)</u>	<u>£(4,568)</u>
10. <u>ULTIMATE PARENT COMPANY</u>		
The company's ultimate parent company is Lucasfilm Limited, a United States Corporation. It has undertaken to support the company so that sufficient finance will be available to enable the company to meet its liabilities as and when they become due.		

LUCASFILM (U.K.) LIMITED

CASH FLOW STATEMENT

	<u>Notes</u>	<u>Period ended 31st March 1996</u>	<u>Period ended 26th March 1995</u>
Net cash inflow/(outflow) from operating activities	1	387,774	(109,306)
Returns on investments and servicing of finance			
Interest received		162	217
Net cash inflow from returns on investments and servicing of finance		162	217
Taxation			
U.K. corporation tax paid		-	(416)
Tax paid		-	(416)
Increase/(decrease) in cash and cash equivalents	3	£387,936	£(109,505)

Notes to the cash flow statement

1. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

Operating loss	(15,856)	(26,986)
(Increase)/decrease in debtors	(175,284)	7,053
Increase/(decrease) in creditors	578,914	(89,373)

Net cash inflow/(outflow) from operating activities	£387,774	£(109,306)
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2. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE PERIOD

Balance at 27th March 1995	11,820	121,325
Net cash inflow/(outflow)	387,936	(109,505)
Balance at 31st March 1996	£399,756	£11,820

3. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	<u>31st March 1996</u>	<u>26th March 1995</u>	<u>Change in period</u>	<u>26th March 1995</u>	<u>27th March 1994</u>	<u>Change in period</u>
Cash at bank and in hand	6,092	3,237	2,855	3,237	27,898	(24,661)
Short term investments	393,664	8,583	385,081	8,583	93,427	(84,844)
	£399,756	£11,820	£387,936	£11,820	£121,325	£(109,505)