

HAT TRICK PRODUCTIONS LIMITED
(Company number 1909622)

ABBREVIATED FINANCIAL STATEMENTS
30 June 1996



NYMAN LIBSON PAUL
CHARTERED ACCOUNTANTS
REGINA HOUSE
124 FINCHLEY ROAD
LONDON NW3 5JS

JLL

HAT TRICK PRODUCTIONS LIMITED

ABBREVIATED FINANCIAL STATEMENTS

Year ended 30 June 1996

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HAT TRICK PRODUCTIONS LIMITED

REPORT OF THE DIRECTORS

The directors present their annual report and the abbreviated financial statements of the company for the year ended 30 June 1996.

PRINCIPAL ACTIVITY

The principal activity of the company is that of a producer of television programmes.

BUSINESS REVIEW

The results for the year are shown on page 5 of the abbreviated financial statements. An amount of £389,204 was transferred to reserves for the year.

DIVIDENDS

An interim dividend of £180,000 was paid during the year. A final dividend of £540,000 was proposed and paid in November 1996.

FIXED ASSETS

Changes in fixed assets are shown in notes 7 and 8 to the abbreviated financial statements.

EVENTS SINCE THE END OF THE YEAR

In July 1996, part of the company's issued share capital was converted into preference shares.

DIRECTORS

The directors who served during the year and their beneficial interest in shares of the company were:

		1996	1995
		Ordinary shares of £1 each	
D O'Donoghue	Chairman	300	300
J T Mulville		300	300
G H Perkins	(resigned 10 July 1995)	300	300
M R Bell		-	-

D O'Donoghue retires by rotation and, being eligible, offers herself for re-election.

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HAT TRICK PRODUCTIONS LIMITED

REPORT OF THE DIRECTORS (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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:

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

CHARITABLE DONATIONS

During the year, the company made charitable contributions of £3,212 (1995: £1,075).

AUDITORS

A resolution to re-appoint Nyman Libson Paul as auditors to the company will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

X *Dennis O'Donoghue*
D O'DONOGHUE

Director

20 May 1997

Registered Office:
124 Finchley Road
London
NW3 5JS



Nyman Libson Paul

Regina House, 124 Finchley Road, London NW3 5JS

AUDITORS' REPORT TO HAT TRICK PRODUCTIONS LIMITED PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages 5 to 16 together with the financial statements of Hat Trick Productions Limited prepared under Section 226 of the Companies Act 1985 for the year ended 30 June 1996.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated financial statements in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 3 and whether the abbreviated financial statements have been properly prepared in accordance with that Schedule.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated financial statements have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

OPINION

In our opinion the company is entitled under Sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to the Act, in respect of the year ended 30 June 1996, and the abbreviated financial statements on pages 5 to 16 have been properly prepared in accordance with that Schedule.

OTHER INFORMATION

On 20 May 1997 we reported, as auditors of Hat Trick Productions Limited, to the members on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 30 June 1996, and our audit report was as follows:

We have audited the financial statements on pages 4 to 15 which have been prepared under the historical cost convention and the accounting policies set out on page 7.



Nyman Libson Paul

Regina House, 124 Finchley Road, London NW3 5JS

AUDITORS' REPORT TO HAT TRICK PRODUCTIONS LIMITED PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985 (Continued)

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 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 and performed our audit so as to obtain all the information and explanations which are 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. 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 the company's affairs at 30 June 1996 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

NYMAN LIBSON PAUL
Chartered Accountants
& Registered Auditors

20 May 1997

HAT TRICK PRODUCTIONS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

Year ended 30 June 1996

	Note	1996 £	1995 £
GROSS PROFIT		3,037,254	2,618,188
Administrative expenses		(1,453,130)	(1,386,925)
OPERATING PROFIT	2	1,584,124	1,231,263
Interest receivable		125,878	79,833
		1,710,002	1,311,096
Interest payable	3	(2,798)	(5,521)
PROFIT ON ORDINARY ACTIVITIES before taxation		1,707,204	1,305,575
Taxation	5	(598,000)	(469,696)
PROFIT ON ORDINARY ACTIVITIES after taxation		1,109,204	835,879
Dividends	6	(720,000)	(360,000)
Purchase of own shares		-	(522,660)
RETAINED PROFIT (DEFICIT) for the year		389,204	(46,781)

A statement of movement on reserves is given in Note 14

All profits recognised in the year are reflected in the profit and loss account and arise from continuing activities

The notes on pages 8 to 16 form part of these abbreviated financial statements

HAT TRICK PRODUCTIONS LIMITED

BALANCE SHEET

At 30 June 1996

	Note	1996	1995
		£	£
FIXED ASSETS			
Tangible assets	7	102,591	108,316
Investments	8	-	100
		<u>102,591</u>	<u>108,416</u>
CURRENT ASSETS			
Development costs		69,061	48,862
Debtors	9	839,534	868,927
Cash at bank and in hand	10	3,639,882	1,807,515
		<u>4,548,477</u>	<u>2,725,304</u>
CREDITORS - amounts falling due within one year	11	<u>3,109,358</u>	<u>1,668,324</u>
Net current assets		<u>1,439,119</u>	<u>1,056,980</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,541,710</u>	<u>1,165,396</u>
CREDITORS - amounts falling due after more than one year	12	-	(12,890)
NET ASSETS		<u><u>1,541,710</u></u>	<u><u>1,152,506</u></u>
CAPITAL AND RESERVES			
Called up share capital	13	900	900
Reserves	14	1,540,810	1,151,606
SHAREHOLDERS' FUNDS	15	<u><u>1,541,710</u></u>	<u><u>1,152,506</u></u>

Approved by the Board and signed on its behalf by

D O'DONOGHUE

M R BELL

Directors

20 May 1997

The notes on pages 8 to 16 form part of these abbreviated financial statements

HAT TRICK PRODUCTIONS LIMITED

CASH FLOW STATEMENT

Year ended 30 June 1996

	Note	1996		1995	
		£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	19		2,300,181		1,875,827
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest received		125,878		77,864	
Interest element on hire purchase payments		(2,798)		(5,521)	
Dividends paid		(180,000)		(360,000)	
Purchase of own shares		-		(522,660)	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			(56,920)		(810,317)
			2,243,261		1,065,510
TAXATION					
Corporation tax paid			(340,000)		(178,177)
			1,903,261		887,333
INVESTING ACTIVITIES					
Sale of tangible fixed assets		68,320		-	
Payments to acquire tangible fixed assets		(106,027)		(21,089)	
Payments to acquire fixed asset investments		-		(100)	
Reclassification of fixed asset investments		100		-	
			(37,607)		(21,189)
Net cash inflow before financing			1,865,654		866,144
FINANCING					
Net cash outflow from financing	22		(33,287)		(25,070)
INCREASE IN CASH AND CASH EQUIVALENTS	20		1,832,367		841,074

The notes on pages 8 to 16 form part of these abbreviated financial statements

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

Year ended 30 June 1996

1 ACCOUNTING POLICIES

The following policies have been used in dealing with items which are considered material in relation to the company's financial statements.

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Turnover

This represents income receivable in respect of television productions during the year, excluding Value Added Tax, all within the United Kingdom.

Royalties receivable

Royalty advances which are non-returnable and non-recoupable are accounted for as income on a receipts basis. Returnable, recoupable advances are accounted for as other operating income on a royalty earnings basis.

Depreciation and amortisation

This is calculated to write off the cost of tangible fixed assets over their estimated useful lives at the following rates per annum:

Improvements to leasehold property	- over the period of the lease
Furniture and Fittings	- 33.33% on straight line
Equipment	- 33.33% on straight line
Motor Vehicles	- 25% on straight line

Development costs

Development costs represent costs incurred on projects in development, and are stated at the lower of these costs and their recoverability.

Finance leases and hire purchase commitments

Assets which are the subject of finance leases or hire purchase contracts are capitalised at a value equal to the original cost. The capital element of future payments is included under "obligations under finance leases and hire purchase contracts" and the interest element is charged to the profit and loss account at a rate which apportions the finance charge on a reducing balance basis.

Operating leases

Rentals applicable to operating leases are charged against profit as incurred.

HAT TRICK PRODUCTIONS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (continued)
Year ended 30 June 1996

2 OPERATING PROFIT

	1996 £	1995 £
This is stated after charging and (crediting):		
Depreciation of owned fixed assets	25,220	33,214
Depreciation of assets held under hire purchase contracts	28,077	27,718
Profit on sale of fixed assets	(9,865)	-
Auditors' remuneration	12,200	13,000
Hire of plant and machinery	9,994	7,951
	<u> </u>	<u> </u>

3 INTEREST PAYABLE

	1996 £	1995 £
Finance charges payable under hire purchase contracts	2,798	5,521
	<u> </u>	<u> </u>

4 DIRECTORS' EMOLUMENTS

	1996 £	1995 £
Total emoluments	379,533	459,809
	<u> </u>	<u> </u>
Chairman's emoluments (and highest paid director)	182,611	153,500
	<u> </u>	<u> </u>

Other directors - by number within each band

	Number of directors	
nil - £5,000	-	1
£65,001 - £70,000	1	-
£120,001 - £125,000	-	1
£125,001 - £130,000	1	-
£130,001 - £135,000	-	1

5 TAXATION

	1996 £	1995 £
U.K. corporation tax at 33% (1995: 33%) on taxable profits for the year	598,000	470,000
Adjustment relating to prior years	-	(304)
	<u>598,000</u>	<u>469,696</u>

HAT TRICK PRODUCTIONS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (continued)

Year ended 30 June 1996

6 DIVIDENDS

	1996 £	1995 £
Dividends paid	180,000	360,000
Dividends proposed	540,000	-
	<u>720,000</u>	<u>360,000</u>

7 TANGIBLE FIXED ASSETS

	Improve- ments to leasehold premises £	Furniture and fittings £	Motor vehicles £	Equipment £	Total £
Cost:					
At 1 July 1995	41,196	99,216	110,867	115,271	366,550
Additions	-	-	87,905	18,122	106,027
Disposals	-	-	(86,455)	-	(86,455)
At 30 June 1996	<u>41,196</u>	<u>99,216</u>	<u>112,317</u>	<u>133,393</u>	<u>386,122</u>
Accumulated depreciation:					
At 1 July 1995	11,853	98,762	55,436	92,183	258,234
Provision for the year	2,667	454	28,077	22,099	53,297
Eliminated on disposals	-	-	(28,000)	-	(28,000)
At 30 June 1996	<u>14,520</u>	<u>99,216</u>	<u>55,513</u>	<u>114,282</u>	<u>283,531</u>
Net book value:					
At 30 June 1996	<u>26,676</u>	<u>-</u>	<u>56,804</u>	<u>19,111</u>	<u>102,591</u>
At 30 June 1995	<u>29,343</u>	<u>454</u>	<u>55,431</u>	<u>23,088</u>	<u>108,316</u>

The net book value of fixed assets includes £13,591 (1995: £55,431) in respect of assets held under hire purchase contracts.

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (continued)

Year ended 30 June 1996

8 FIXED ASSET INVESTMENTS

	Shares in associated undertaking £
Cost:	
At 1 July 1995	100
Reclassified as current asset	(100)
	<hr/>
At 30 June 1996	-
	<hr/>
Net book value:	
At 30 June 1996	-
	<hr/>
At 30 June 1995	100
	<hr/>

9 DEBTORS

	1996 £	1995 £
Trade debtors	434,366	630,127
Advance corporation tax recoverable	135,000	-
Other debtors	103,824	43,654
Prepayments and accrued income	166,344	195,146
	<hr/>	<hr/>
	839,534	868,927
	<hr/>	<hr/>

The advance corporation tax recoverable is due after one year.

10 CASH AT BANK AND IN HAND

Included within the balance sheet figure of £3,639,882 (1995: £1,807,515) are sums amounting to £989,525 (1995: £218,671) held in trust bank accounts on behalf of television companies which have commissioned work and advanced funds to cover future production costs.

Within creditors (Note 11), production advances and certain trade creditors represent the unexpended funds held on trust at the balance sheet date.

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (continued)
 Year ended 30 June 1996

11 CREDITORS - amounts falling due within one year

	1996 £	1995 £
Obligations under finance leases and hire purchase contracts	12,945	33,342
Trade creditors	279,456	375,509
Corporation tax	553,060	250,060
Advance Corporation Tax payable	180,000	90,000
Other taxation and social security	127,352	235,943
Other creditors	45,062	12,604
Accruals and deferred income	552,825	341,241
Dividends payable	540,000	-
Production advances	818,658	329,625
	<u>3,109,358</u>	<u>1,668,324</u>

12 CREDITORS - amounts falling due after more than one year

	1996 £	1995 £
Obligations under hire purchase contracts - repayable within two and five years	-	12,890
	<u>-</u>	<u>12,890</u>

13 CALLED UP SHARE CAPITAL

	1996 £	1995 £
Authorised Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid Ordinary shares of £1 each	<u>900</u>	<u>900</u>

On 10 July 1996 the company increased its authorised share capital to a value of £11,200, comprising 10,000 ordinary shares of £1 each, 300 preference shares of £1 each, and 900 units of stock of £1 each.

Also on 10 July 1996 the company converted 300 allotted, called up and fully paid ordinary shares into 300 £1 units of stock. At the same date, these 300 £1 units of stock were re-converted into 300 £1 preference shares.

HAT TRICK PRODUCTIONS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (continued)

Year ended 30 June 1996

14 RESERVES

	Capital redemption reserve £	Profit and loss account £	Total £
At 1 July 1995	300	1,151,306	1,151,606
Retained profit for the year	-	389,204	389,204
At 30 June 1996	<u>300</u>	<u>1,540,510</u>	<u>1,540,810</u>

15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1996 £	1995 £
Profit for the financial year	1,109,204	835,879
Dividends	(720,000)	(360,000)
	<u>389,204</u>	<u>475,879</u>
Purchase of own shares	-	(522,660)
Net addition to shareholders' funds	<u>389,204</u>	<u>(46,781)</u>
Opening shareholders' funds	<u>1,152,506</u>	<u>1,199,287</u>
Closing shareholders' funds	<u>1,541,710</u>	<u>1,152,506</u>

16 CAPITAL COMMITMENTS

	1996 £	1995 £
Authorised by directors but not contracted for	<u>188,000</u>	<u>-</u>

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (continued)
 Year ended 30 June 1996

17 OPERATING LEASE COMMITMENTS

At 30 June 1996, the company had non-cancellable annual operating lease commitments as follows:

	1996 £	1995 £
Land and buildings leases which expire:		
Within two to five years	31,250	-
After five years	113,912	101,350
	<u>145,162</u>	<u>101,350</u>

The leases of land and buildings are subject to rent reviews.

18 STAFF NUMBERS AND COSTS

The average number of persons employed by the company (including directors) was as follows:

	1996	1995
Management	5	6
Administration	11	9
	<u>16</u>	<u>15</u>

The aggregate payroll costs of these persons were as follows:

	1996 £	1995 £
Salaries	748,111	721,508
Social security costs	72,887	69,469
	<u>820,998</u>	<u>790,977</u>

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (continued)
 Year ended 30 June 1996

19 RECONCILIATION OF OPERATING PROFIT TO
 NET CASH INFLOW FROM OPERATING ACTIVITIES

	1996		1995	
	£	£	£	£
OPERATING PROFIT		1,584,124		1,231,263
Depreciation and amortisation	53,297		60,932	
(Profit) loss on disposal of fixed assets	(9,865)		-	
(Increase) decrease in development costs	(20,199)		1,941	
Decrease in debtors	164,393		1,142,081	
Increase (decrease) in creditors	528,431		(560,390)	
		<u>716,057</u>		<u>644,564</u>
NET CASH INFLOW FROM OPERATING ACTIVITIES		<u>2,300,181</u>		<u>1,875,827</u>

20 ANALYSIS OF CHANGES IN CASH AND CASH
 EQUIVALENTS DURING THE YEAR

	1996	1995
	£	£
At 1 July 1995	1,807,515	966,441
Net cash inflow	1,832,367	841,074
At 30 June 1996	<u>3,639,882</u>	<u>1,807,515</u>

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

	1996	1995	Change in year
	£	£	£
Cash at bank and in hand	<u>3,639,882</u>	<u>1,807,515</u>	<u>1,832,367</u>
	1995	1994	Change in year
	£	£	£
Cash at bank and in hand	<u>1,807,515</u>	<u>966,441</u>	<u>841,074</u>

HAT TRICK PRODUCTIONS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (continued)
Year ended 30 June 1996

22 ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Loans and finance lease obligations £
At 1 July 1995	46,232
Cash outflow from financing	(33,287)
	<hr/>
At 30 June 1996	12,945
	<hr/>
At 1 July 1994	71,302
Cash outflow from financing	(25,070)
	<hr/>
At 30 June 1995	46,232
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