

Company Number 2194411

CARLTON FILMS LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 1997



CARLTON FILMS LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 1997

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CARLTON FILMS LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 1997

The directors present their annual report and the audited financial statements for the year ended 30 September 1997.

Principal activities, review of the business and future development

The profit and loss account for the year is set out on page 5.

The company did not trade during the year.

Dividends

The profit for the year after tax amounted to £401,758 (1996:nil). The directors propose a final dividend of £1,293,949 (1996:nil).

CARLTON FILMS LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 1997

Directors and their interests

None of the directors had any beneficial interest in the share capital of the company at 30 September 1997.

The beneficial interests of the other directors and their families in the share capital of Carlton Communications Plc at 30 September 1997 together with their interests at 1 October 1996 were:

Ordinary shares of 5p	30 September 1997	30 September 1996
D Abdoo	3,582	1,807

The interests of the directors in share options to subscribe for Carlton Communications Plc 5p Ordinary Shares at prices ranging from a nominal amount to 494.5p exercisable three years after the date of grant, together with movements during the year are as follows:-

	Options held at 1 October 1996	Options Granted	Options Exercised	Options held at 30 September 1997
D Abdoo	121,836	-	50,000	71,836
M A Green	117,500	7,000	43,750	80,750

Subject to the satisfaction of certain conditions under the terms of Carlton Communications Plc's deferred annual bonus share plan and/or long term incentive share plan, the director listed below has been conditionally awarded the following number of Carlton Communications Plc Ordinary shares of 5p each:-

	Awarded as At 1 October 1996	Awarded during the year	Awarded as at 30 September 1997
D Abdoo	-	27,366	27,366

CARLTON FILMS LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 1997

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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

By order of the Board

Auditors

It is anticipated that the company will become dormant and a resolution pursuant to section 250 of the Companies Act 1985 will be passed exempting the company from the obligation to appoint auditors.

D Abdoo
Secretary

Registered Office
25 Knightsbridge
London
SW1X 7RZ

Date: 27 March 1998

CARLTON FILMS LIMITED

**REPORT OF THE AUDITORS TO THE MEMBERS OF CARLTON FILMS
LIMITED**

FOR THE YEAR ENDED 30 SEPTEMBER 1997

We have audited the financial statements on pages 5 to 8.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the 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 circumstances of the company, 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 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 on pages to give a true and fair view of the state of affairs of the company as at 30 September 1997 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand

Coopers & Lybrand
Chartered Accountants and Registered Auditors
London

24 March 1998

CARLTON FILMS LIMITED
PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 1997

	Notes	1997 £	1996 £
Over-provision of corporation tax in respect of prior years		<u>401,758</u>	<u>-</u>
Profit for the year		401,758	-
Proposed dividends	2	<u>(1,293,949)</u>	<u>-</u>
Retained loss for the year		<u><u>(892,191)</u></u>	<u><u>-</u></u>

The company has no recognised gains and losses other than those included in the profit and loss account above and therefore no separate statement of total reorganised gains and losses has been prepared.

CARLTON FILMS LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 1997

	Note	1997 £	1996 £
Current Assets			
Amounts due from group undertakings		1,293,951	1,293,951
Current liabilities	3	(1,293,949)	(401,758)
Net Assets		<u>2</u>	<u>892,193</u>

Capital and Reserves

Called up share capital, allotted, authorised, issued and fully paid 2 ordinary shares of £1 each

2

2

Profit and loss account


-

892,191

2

892,193

Authorised share capital 100 ordinary shares of £1 each.

.....  Director

These accounts were approved by the Board of Directors on ...24/3/98.....

CARLTON FILMS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 1997

1. ACCOUNTING POLICIES

a) BASIS OF PREPARATION OF ACCOUNTS

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards applied on a consistent basis.

b) CASH FLOW STATEMENT

The company's ultimate holding company is Carlton Communication Plc and the cash flows of the company are included in the consolidated group cash flow statement of that company. Consequently the company is exempt under the terms of Financial Reporting Standard No 1 from publishing a cash flow statement.

2. PROPOSED DIVIDENDS

	1997 £	1996 £
Proposed final dividend of £ 646,974.50 per share	<u>1,293,949</u>	<u>-</u>

3. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1997 £	1996 £
Dividend	1,293,949	-
Corporation tax	-	401,758
	<u>1,293,949</u>	<u>401,758</u>

CARLTON FILMS LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 1997

4. DIRECTORS' EMOLUMENTS AND EMPLOYEE INFORMATION

None of the directors received any remuneration in respect of their services to the company.

There are no employees.

5. ULTIMATE PARENT COMPANY

The ultimate parent company is Carlton Communications Plc, a company registered in England and Wales, for which consolidated accounts are prepared. Accounts of the ultimate parent company can be obtained from Carlton Communications Plc, 25 Knightsbridge, London SW1X 7RZ.