

Company No. 2908542

**British Screen Rights Limited**  
**Report and Financial Statements**  
**31 March 2010**

MONDAY



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**BRITISH SCREEN RIGHTS LIMITED (Company No. 2908542)**

**DIRECTORS' REPORT**

The directors present their report and financial statements for the year ended 31 March 2010

**Results and dividends**

The loss for the year after taxation amounted to £9,000 (2009 profit £19,000)

The directors do not recommend the payment of a dividend

**Principal activity**

The company's principal activity is acquiring and selling rights in feature films

**Review of business and future developments**

In the year, the company continued to earn licence fee income from its film rights, as films became available for transmission on pay television

On 24 July 2010, the Secretary of State for Culture, Olympics, Media and Sport announced that by 31 March 2012 the functions undertaken by the ultimate parent body the UK Film Council will cease to be carried out by that company

**Risk assessment**

The main risks arising from financial instruments are investment risk, interest rate risk, liquidity risk and foreign currency risk. The company does not have investment, interest rate or liquidity risk. The board reviews policies for managing foreign exchange risk and this is summarised as follows

**Foreign currency risk**

The company's financial assets are not exposed to material foreign exchange risks, as all balances are held in sterling, and the company's remuneration is in sterling

**Directors**

The following were directors of the company during the year

Stewart Till\* (resigned 29 July 2009)  
John Woodward

Chairman

\*Non-executive director

Tim Cagney was appointed chairman and Alan Bushell appointed director on 28 September 2010

**Disclosure of information to the auditors**

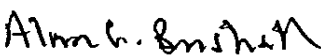
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information

The company has chosen to take advantage of the provisions of section 417 of the Companies Act 2006 with respect to its Directors' Report

**Auditors**

An elective resolution is in force pursuant to section 489 of the Companies Act 2006, allowing the Company to dispense with the obligation to appoint auditors annually

**BY ORDER OF THE BOARD**

  
Alan Bushell  
Secretary

28 September 2010  
Date

## **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 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 that 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 2006. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRITISH SCREEN RIGHTS LIMITED**

### **Independent Auditor's Report to the Members of British Screen Rights Limited**

I have audited the financial statements of British Screen Rights Limited for the period ended 31 March 2010 which comprise the Profit and Loss Account, Balance Sheet, Statement of Recognised Gains and Losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practice Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **Opinion on financial statements**

In my opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its loss for the period then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- the financial statements have been prepared in accordance with the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In my opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which I am required to report by exception**

I have nothing to report in respect of the following matters where the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my staff, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- I have not received all the information and explanations I require for my audit.



Amanda Measures (Senior Statutory Auditor)

Date 1 October 2010

for and on behalf of the  
Comptroller and Auditor General (Statutory Auditor)

157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

**BRITISH SCREEN RIGHTS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2010**

	<i>Note</i>	<i>2010</i> <i>£000</i>	<i>2009</i> <i>£000</i>
Turnover	2	-	25
Gross profit		-	25
Administrative expenses	3	(17)	(47)
<b>Operating loss</b>		(17)	(22)
Bank interest receivable		3	47
<b>(Loss)/profit on ordinary activities before taxation</b>		(14)	25
Tax credit/(charge) on loss on ordinary activities	5	5	(6)
<b>(Loss)/profit for the financial year</b>		<u>(9)</u>	<u>19</u>

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

There are no recognised gains and losses other than those shown in the profit and loss account above  
The notes on pages 6 to 8 form part of these financial statements

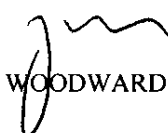
**BRITISH SCREEN RIGHTS LIMITED**  
**BALANCE SHEET AS AT MARCH 2010**

	<i>Note</i>	<i>2010</i> <i>£000</i>	<i>2009</i> <i>£000</i>
<b>Current assets</b>			
Debtors	6	5	28
Cash at bank and in hand		1,435	1,459
		<u>1,440</u>	<u>1,487</u>
<b>Creditors : amounts falling due within one year</b>	7	(19)	(57)
<b>Net current assets</b>		<u>1,421</u>	<u>1,430</u>
<b>Capital and reserves</b>			
Called up share capital	9	-	-
Profit and loss account	9	1,421	1,430
<b>Shareholder's funds - equity</b>	9	<u>1,421</u>	<u>1,430</u>

Prepared in accordance with Part 15 of the Companies Act 2006

Approved by the board on

Date 28. September 2010

  
 JOHN WOODWARD

Prepared in accordance with Part 15 of the Companies Act 2006  
 The notes on pages 6-8 form part of these accounts

**BRITISH SCREEN RIGHTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2010**

**1. Accounting policies**

**(a) Basis of preparation**

The financial statements are prepared under the historical cost convention in accordance with UK GAAP and the provisions of the Companies Act 2006. Since British Screen Rights is a separate entity from its ultimate parent undertaking the UK Film Council, and is expected to resume trading profitably in the future, the directors consider that the company will be unaffected by the future closure of the UK Film Council, and consider the company to be a going concern and the financial statements are prepared on this basis. These financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

**(b) Revenue recognition**

*Licence fee income*

Revenue from licence fee income is recognised when films become available for transmission on pay television.

*Interest income*

Revenue is recognised as interest accrues applying the effective interest method.

**(c) Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**(d) Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

**(e) Cash flow statement**

The company is a wholly owned subsidiary of UK Film Council. In accordance with Financial Reporting Standard 1 (revised), no cash flow statement is presented as UK Film Council produces publicly available consolidated financial statements in which the company is included.

**2. Turnover**

Turnover is stated net of value added tax and principally arises in the United Kingdom on continuing activities. It represents amounts invoiced to third parties in respect of the sale of film rights.

**3. Administrative expenses**

(a) These are made up as follows:

	2010 £000	2009 £000
Auditors' remuneration	2	2
National Audit Office fees	2	2

**BRITISH SCREEN RIGHTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2010**

**4. Directors' remuneration**

The directors received no remuneration from the company for their services during the year (2009 £nil) An amount of £488 was paid to UK Film Council for the services of the director

**5. Tax on profit on ordinary activities**

(a) Analysis of tax charge for the year

	<i>2010</i>	<i>2009</i>
	<i>£000</i>	<i>£000</i>
Current tax		
UK corporation tax on profit for the year	-	10
Overprovision in respect of prior year	(5)	(4)
	-----	-----
Current tax for the year (note 5(b))	(5)	6
	=====	=====

(b) Factors affecting tax charge for year

	<i>2010</i>	<i>2009</i>
	<i>£000</i>	<i>£000</i>
(Loss)/profit on ordinary activities before tax	(14)	25
	=====	=====

(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 28%)

	(4)	7
Effects of		
Lower rate of tax (21%) (2009 21%)	1	(3)
Group relief surrender	3	6
Overprovision in respect of prior year	(5)	(4)
	-----	-----
Current tax for the year (note 5(b))	(5)	6
	=====	=====

**6 Debtors**

	<i>2010</i>	<i>2009</i>
	<i>£000</i>	<i>£000</i>
Trade debtors	-	28
Corporation tax	5	-
	-----	-----
	5	28
	=====	=====

**7. Creditors : amounts falling due within one year**

	<i>2010</i>	<i>2009</i>
	<i>£000</i>	<i>£000</i>
Due to group undertakings	15	42
Corporation tax	-	10
Accruals and deferred income	4	5
	-----	-----
	19	57
	=====	=====



**BRITISH SCREEN RIGHTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2010**

**8. Called up share capital**

Authorised		
	<i>2010</i>	<i>2009</i>
	<i>Number</i>	<i>Number</i>
Ordinary shares of £1 each	100	100
	===	===
Allotted, called-up and fully paid		
	<i>2010</i>	<i>2009</i>
	<i>£</i>	<i>£</i>
Ordinary shares of £1 each	100	100
	===	===

**9. Reconciliation of shareholders' funds and movements on reserves**

	<i>Share Capital £000</i>	<i>Profit and loss account £000</i>	<i>Total £000</i>
At 1 April 2008	-	1,411	1,411
Profit for the year	-	19	19
	----	----	----
At 1 April 2009	-	1,430	1,430
Loss for the year	-	(9)	(9)
	----	----	----
At 31 March 2010	-	1,421	1,421
	=====	=====	=====

**10. Contingent liabilities**

Sales of film rights by the company are subject to the terms of a standard sales contract. The contract provides, *inter alia*, that the films must meet certain minimum theatrical release requirements in the United Kingdom. If the requirements were not met, part or all of the licence fees received could be repayable.

**11. Related party transactions**

The company, being a wholly owned subsidiary, has taken advantage of the exemption in Financial Reporting Standard 8 not to disclose related party transactions with other group undertakings.

**12. Ultimate parent undertaking**

The company's immediate parent undertaking is British Screen Finance Limited. UK Film Council is the parent undertaking of the smallest and largest group of undertakings of which the company is a member and for which group financial statements are drawn up. Copies of its financial statements can be obtained from the Registrar of Companies in Cardiff or by application to its registered office at 10 Little Portland Street, London W1W 7JG.