

LASTDOGMA LIMITED

**Directors' Report &
Financial Statements**

For the year ended 31st March 2000

Company Number: 3529802



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DIRECTORS AND ADVISERS

DIRECTORS	Rupert Lywood
SECRETARY	Sarah Bradly
REGISTERED OFFICE	Gossard House 7-8 Savile Row London W1X 1AF
SOLICITORS	The Simkins Partnership 45-51 Whitfield Street London W1P 6AA
BANKERS	Barclays Bank PLC 50 Pall Mall London

DIRECTORS' REPORT

For the year ended 31st March 2000

The directors present their report and the unaudited financial statements for the year ended 31st March 2000.

PRINCIPAL ACTIVITY

The Company's principal activity is that of a film and television production and distribution company.

REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

The results for the year are shown on page 5.

The Company has participated in the co-production and distribution of the films "Trial by Fire" and "The Last September". "Trial by Fire" was completed during the year and released on television in December 1999. "The Last September" was completed in May 1999 and released, in Los Angeles, during April 2000 and, in London, during May 2000.

No income had been received from either film at 31st March 2000.

Should the Company not receive the expected revenues from the exploitation of the films it has the benefit of pecuniary loss indemnity insurance to cover any shortfalls.

DIVIDENDS

The directors do not recommend the payment of a dividend.

DIRECTORS

The Directors of the Company during the year ended 31st March 2000 were:

Rupert Lywood

DIRECTOR'S INTERESTS

The Director's interest in the Company's share capital at 31st March 2000 and 1999 were as follows:

	Number of ordinary shares of £1 each
Rupert Lywood	107,000

AUDITORS

In the preparation of the Company's financial statements advantage has been taken of the audit exemptions available to small companies conferred by section 249A(1) of the Companies Act 1985. No notice has been received from members requiring an audit under section 249 B(2) of the Companies Act 1985.

DIRECTORS' RESPONSIBILITIES

The Directors are required by UK company law to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss of the Company for that period.

The Directors confirm that suitable accounting policies have been used and applied consistently and that reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31st March 2000. The Directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

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.

Small Company Exemption

The Directors' Report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Directors on 14th March 2001.



Sarah Bradly
Company Secretary

PROFIT AND LOSS ACCOUNT

For year ended 31st March 2000

	Year ended 31 st March 2000 £	Thirteen months ended 31 st March 1999 £ Restated
Turnover	Nil	Nil
Cost of sales	(6,872)	(7,088)
Gross loss	(6,872)	(7,088)
Administrative expenses	(158)	-
Other income	1,946	-
Interest receivable	276	1,661
Loss on ordinary activities before tax	(4,808)	(5,427)
Tax charge on ordinary activities	-	-
Loss for the year	(4,808)	(5,427)
Statement of Reserves		
Balance at 1 st April 1999 as previously stated	(92,743)	Nil
Prior year adjustment	87,316	Nil
Balance at 1 st April 1999 as restated	(5,427)	Nil
Loss for the year	(4,808)	(5,427)
At 31 st March 2000	(10,235)	(5,427)

All of the operations are continuing.

The Company has no recognised gains or profits other than those shown above and therefore no separate statement of total recognised gains and profits has been presented.

There is no difference between the loss on ordinary activities before taxation and the loss for the year stated above, and their historical cost equivalents.

The notes on pages 7 to 10 form part of these financial statements.

BALANCE SHEET

As at 31st March 2000

	Notes	31 st March 2000 £	31 st March 1999 £ Restated
Fixed assets			
Investments	4	152,406	-
Current assets			
Work-in-progress		-	78,555
Debtors	5	16,494	9,694
Cash at bank and in hand		149,916	45,324
		166,410	133,573
Creditors: amounts falling due within one year	6	(95,259)	(32,000)
		71,151	101,573
Net current assets			
		223,557	101,573
Total assets less current liabilities			
Creditors: amounts due after more than one year	7	(126,792)	-
		96,765	101,573
Net Assets		96,765	101,573
Capital and reserves			
Called up share capital	9	107,000	107,000
Profit and loss account		(10,235)	(5,427)
Equity Shareholders' Funds	10	96,765	101,573

The notes on pages 7 to 10 form part of these financial statements.

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.

Advantage has been taken of the audit exemptions available for small companies conferred by section 249A(1) of the Companies Act 1985 on the grounds:

- (a) that for the year ended 31st March 2000 the Company was entitled to the exemption from a statutory audit under section 249A(1) of the Companies Act 1985; and
- (b) that no notice has been deposited under section 249B(2) of the Companies Act 1985 in relation to the financial statements for the period.

The directors acknowledge their responsibilities for:

- (a) ensuring that the Company keeps proper accounting records which comply with section 221 of the Companies Act 1985; and
- (b) preparing financial statements which give a true and fair view of the state of the affairs of the company at 31st March 2000 and of its loss for the year then ended and are in accordance with the requirement of section 226 of the Companies Act 1985, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements so far as applicable to the Company.

These financial statements were approved by the Board of Directors on 1st March 2001 and were signed on their behalf by:


Rupert Lywood
Director

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2000

1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. The principal accounting policies, which have been applied consistently, are set out below:

a) **Basis of Accounting**

The financial statements have been prepared in accordance with the historical cost convention and are in accordance with the Financial Reporting Standards for Smaller Entities.

b) **Investment in Partnerships**

The company's share of profits less losses of the Partnerships in which it has participated for the year ended 31st March 2000 are included in its profit and loss account and the company's share of the net assets of the Partnerships at 31st March 2000 are included in its balance sheet.

(i) Prior year adjustments

In preparing their first audited accounts, the "Matrix Films "Last September" Partnership" and the "Matrix Films "Trial by Fire" Partnership" have opted to carry forward production costs as work-in-progress, releasing them to the profit and loss account in the proportion that income for the accounting period bears to the company's forecast of total income to be received, and to release the cost of insurance over the life of the policy, three years for "Matrix Films "Last September" Partnership" and two years for "Matrix Films "Trial by Fire" Partnership". The comparative figures included in these accounts have accordingly been adjusted so as to reflect this accounting policy.

(ii) Sale and Leaseback and Finance lease agreements – "Trial by Fire"

On 3rd February 2000, the "Matrix Films "Trial by Fire" Partnership" entered into a Sale and Leaseback agreement whereby it sold the Master Print of the film "Trial by Fire" and leased back substantially all the risks and rewards of ownership of the film. The profit on the sale of the film is being carried forward as deferred income and released to the profit and loss account over the term of the lease. The cost of the film is recorded in the balance sheet under Film asset investment and will be released to the profit and loss account as income is received.

The lease is for a term of fifteen years, with annual repayments being made from the Long Term Deposit held under a Payment Deed dated 3rd February 2000. Future instalments under the finance lease, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

(iii) Sale and Leaseback and Finance lease agreements – "The Last September"

On 23rd March 2000, the "Matrix Films "Last September" Partnership" entered into a Sale and Leaseback agreement whereby it sold the Master Print of the film "The Last September" and leased back substantially all the risks and rewards of ownership of the film. The profit on the sale of the film is being carried forward as deferred income and

released to the profit and loss account over the term of the lease. The cost of the film is recorded in the balance sheet under Film asset investment and will be released to the profit and loss account as income is received.

The lease is for a term of fifteen years, with annual repayments being made from the Long Term Deposit held under a Payment Deed dated 23rd March 2000. Future instalments under the finance lease, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

c) **Cash flow statement**

The Company qualifies as a small company under the terms of section 247 of the Companies Act 1985. As a consequence it is exempt from the requirement to publish a cash flow statement.

2. EMPLOYEE INFORMATION

The Company had no employees during the period.

3. PARTICIPATION IN PARTNERSHIPS

The Company's results are derived from a 5.71% participation in "Matrix Films "Trial by Fire" Partnership" and a 3.89% participation in "Matrix Films "Last September" Partnership".

The Company's participation in each partnership is set out below:

	2000		1999	
	Matrix Films "Trial by Fire" Partnership £	Matrix Films "Last September" Partnership £	Matrix Films "Trial by Fire" Partnership £ Restated	Matrix Films "Last September" Partnership £ Restated
Fixed assets	27,380	125,026	-	-
Current assets	31,128	130,544	31,811	65,024
Creditors: amounts due within one year	(5,593)	(89,666)	-	-
Creditors: amounts due after more than one year	(22,672)	(104,120)	-	-
Total assets	<u>30,243</u>	<u>61,784</u>	<u>31,811</u>	<u>65,024</u>
Capital contributed	32,000	67,000	32,000	67,000
Loss brought forward	(189)	(1,976)	-	-
Loss for the period	(1,568)	(3,240)	(189)	(1,976)
Share of funds	<u>30,243</u>	<u>61,784</u>	<u>31,811</u>	<u>65,024</u>

4. FIXED ASSETS

	2000	1999
	£	£
Film asset investment:		
Cost:		
"Trial by Fire"	27,380	-
"The Last September"	125,026	-
	152,406	-
Depreciation	-	-
Net book value	152,406	-

5. DEBTORS

	2000	1999
	£	£
		Restated
Amounts falling due within one year:		
Prepayments and accrued income	5,036	8,761
VAT	11,458	933
	16,494	9,694

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000	1999
	£	£
		Restated
Finance lease	2,537	-
Other creditors	11,423	-
Accruals and deferred income	81,299	32,000
	95,259	32,000

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2000	1999
	£	£
		Restated
Finance lease	126,792	-

8. COMMITMENTS UNDER FINANCE LEASE AGREEMENTS

Future commitments under finance leases are as follows:

	2000 £	1999 £
Amounts payable within one year	10,552	-
Amounts payable within two and five years	47,755	-
Amounts payable after more than five years	148,500	-
	206,807	-
Less interest and finance charges relating to future periods	(77,478)	-
	129,329	-

9. SHARE CAPITAL

	2000 £	1999 £
Authorised		
1,000,000 Ordinary Shares of £1 each	1,000,000	1,000,000
Called up, allotted and fully paid		
107,000 Ordinary Shares of £1 each	107,000	107,000

10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2000 £	1999 £ Restated
Shareholders' funds at 1 st April 1999 (originally £14,257 before prior year adjustment of £87,316)	101,573	Nil
Proceeds from issue of shares	-	107,000
Loss for the period	(4,808)	(5,427)
Shareholders' funds at 31 st March 2000	96,765	101,573

11. PARTNERSHIP ACCOUNTS

The Company, under the terms of various partnership deeds, has entered into partnership with "Matrix Films "Trial By Fire" Partnership" and "Matrix Films "Last September" Partnership", which have engaged in the production and distribution of various films. Any profits realised in the partnerships will be distributed to the companies that are partners in the partnerships in proportion to the amounts of the contribution made by each partner to the partnerships' capital.

The first accounting period for both "Matrix Films "Trial By Fire" Partnership" and "Matrix Films "Last September" Partnership" is to 31st December 1999. Audited accounts for both these partnerships have been prepared to this date in order to comply with the Partnership and Unlimited Companies (Accounts) regulations 1993.