

COMPANY REGISTRATION NUMBER 03478710

FILM EUROPE (KISZKO) LIMITED
ACCOUNTS
30 APRIL 2007



MALDE & CO
Chartered Certified Accountants
99 Kenton Road
Kenton Harrow
Middlesex
HA3 0AN

FILM EUROPE (KISZKO) LIMITED

ACCOUNTS

YEAR ENDED 30 APRIL 2007

CONTENTS	PAGE
The directors' report	1
Profit and loss account	2
Balance sheet	3
Notes to the accounts	4
The following pages do not form part of the accounts	
Accountants' report to the directors	9
Detailed profit and loss account	10

FILM EUROPE (KISZKO) LIMITED**THE DIRECTORS' REPORT****YEAR ENDED 30 APRIL 2007**

The directors present their report and the unaudited accounts of the company for the year ended 30 April 2007

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of television film producers

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows

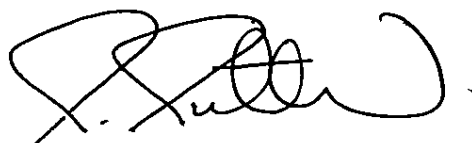
	Ordinary Shares of £1 each	
	At 30 April 2007	At 1 May 2006
J A M Sutherland	1	1
M G Craddock	<u>1</u>	<u>1</u>

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

Registered office
13 Egbert Street
London
NW1 8OJ

Signed by order of the directors



STUART J SUTHERLAND
Company Secretary

Approved by the directors on 18 February 2008

FILM EUROPE (KISZKO) LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 APRIL 2007

	Note	2007 £	2006 £
TURNOVER		—	—
Administrative expenses		<u>668</u>	<u>1,035</u>
OPERATING LOSS	2	(668)	(1,035)
Interest receivable	3	9	6
		—	—
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(659)	(1,029)
Tax on loss on ordinary activities		—	—
		—	—
LOSS FOR THE FINANCIAL YEAR		(659)	(1,029)
Balance brought forward		<u>(98,057)</u>	<u>(97,028)</u>
Balance carried forward		<u><u>(98,716)</u></u>	<u><u>(98,057)</u></u>

FILM EUROPE (KISZKO) LIMITED**BALANCE SHEET****30 APRIL 2007**

	Note	2007 £	£	2006 £	£
FIXED ASSETS					
Tangible assets	4		—		—
CURRENT ASSETS					
Debtors	5	175		—	
Cash at bank		365		375	
		<u>540</u>		<u>375</u>	
CREDITORS: Amounts falling due within one year	6	<u>2,175</u>		<u>1,351</u>	
NET CURRENT LIABILITIES			<u>(1,635)</u>		<u>(976)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(1,635)</u>		<u>(976)</u>
CREDITORS: Amounts falling due after more than one year	7		<u>97,079</u>		<u>97,079</u>
			<u>(98,714)</u>		<u>(98,055)</u>
CAPITAL AND RESERVES					
Called-up equity share capital	10		2		2
Profit and loss account			<u>(98,716)</u>		<u>(98,057)</u>
DEFICIT			<u>(98,714)</u>		<u>(98,055)</u>

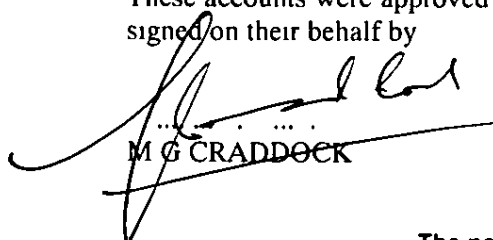
The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the accounts for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

These accounts were approved by the directors and authorised for issue on 18 February 2008, and are signed on their behalf by



M G CRADDOCK

The notes on pages 4 to 7 form part of these accounts.

FILM EUROPE (KISZKO) LIMITED**NOTES TO THE ACCOUNTS****YEAR ENDED 30 APRIL 2007****1. ACCOUNTING POLICIES****Basis of accounting**

The accounts have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on the film asset in accordance with the cost recovery method whereby depreciation is taken to the profit and loss account on the same as the income received in the accounting period

Finance lease agreements

Where the company enters into a lease, which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future installments under such leases, net of finance charges, are included with 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 installments.

Where the company has entered into a sale and leaseback agreement, the finance lease is matched by secured deposit such that interest earned on the deposit will cover the interest charge on the finance lease over the term of the lease. The deposit is only to be used to settle the finance lease liability and therefore it has been offset with the finance lease creditor to show the net unmatched liability at the year end. Similarly, the interest earned on the deposit is offset against the interest charges within the lease payment.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

FILM EUROPE (KISZKO) LIMITED**NOTES TO THE ACCOUNTS****YEAR ENDED 30 APRIL 2007****2. OPERATING LOSS**

Operating loss is stated after crediting

	2007 £	2006 £
Directors' emoluments	<u>—</u>	<u>—</u>

3. INTEREST RECEIVABLE

	2007 £	2006 £
Bank interest receivable	9	6
Bank deposit interest	50,847	55,501
Finance lease charge	<u>(50,847)</u>	<u>(55,501)</u>
	<u>9</u>	<u>6</u>

4. TANGIBLE FIXED ASSETS

	Film asset £
COST	
At 1 May 2006 and 30 April 2007	<u>1,371,774</u>
DEPRECIATION	
At 1 May 2006 and 30 April 2007	<u>(1,371,774)</u>
NET BOOK VALUE	
At 30 April 2007	<u>—</u>
At 30 April 2006	<u>—</u>

The film asset is held under a finance lease

5. DEBTORS

	2007 £	2006 £
VAT recoverable	<u>175</u>	<u>—</u>

FILM EUROPE (KISZKO) LIMITED**NOTES TO THE ACCOUNTS****YEAR ENDED 30 APRIL 2007****6. CREDITORS: Amounts falling due within one year**

	2007 £	2006 £
Trade creditors	1,175	—
Other creditors including taxation		
VAT	—	176
Accruals and deferred income	1,000	1,175
	<u>2,175</u>	<u>1,351</u>

7. CREDITORS: Amounts falling due after more than one year

	2007 £	2006 £
Finance lease agreements	75,593	75,593
Other creditors	21,486	21,486
	<u>97,079</u>	<u>97,079</u>

Other creditors represent loans from companies controlled by the directors see note related party note

8. COMMITMENTS UNDER FINANCE LEASE AGREEMENT

Future commitments under finance lease agreements are as follows

	2007 £	2006 £
Amounts payable within 1 year	142,837	136,035
Amounts payable between 2 to 5 years	646,428	615,646
Amounts payable after more than 5 years	257,894	431,512
	<u>1,047,159</u>	<u>1,183,193</u>
Less interest and finance charges relating to future periods	(185,169)	(238,681)
	<u>861,990</u>	<u>944,512</u>
Less secured bank deposit	(786,394)	(868,919)
	<u>75,593</u>	<u>75,593</u>

The finance lease is matched by secured deposit such that the principal on deposit and the interest earned will be sufficient to cover the rental obligations on the finance lease until the end of the lease

The deposit is only to be used to settle the finance lease liability and therefore it does not represent separate asset and liability. Consequently, it has been netted off with the finance lease creditor to show the net unmatched liability at the year end

FILM EUROPE (KISZKO) LIMITED**NOTES TO THE ACCOUNTS****YEAR ENDED 30 APRIL 2007****9. RELATED PARTY TRANSACTIONS**

The company was under the control of the directors throughout the current and previous year

Mr J A M Sutherland controlled Celtic Films Limited and Mr M Craddock controlled Picture Palace Production Limited to whom the company had outstanding loans of £21,486 at the balance sheet date.

10. SHARE CAPITAL**Authorised share capital:**

	2007	2006
	£	£
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	2007		2006
	No	£	No
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>