

Company Number: 04790426

MET FILM LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2007



**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF MET FILM LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts of Met Film Limited for the year ended 30 June 2007 set out on pages 2 to 7, together with the financial statements of the company for the year ended 30 June 2007 prepared under section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with the Sections 246(5) and (6) of the Act to the registrar and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

BASIS OF AUDIT OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. 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 financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections (5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 7 are properly prepared in accordance with those provisions.



Chartered Accountants
Registered Auditors

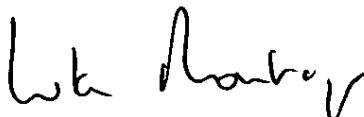
St Brides House
10 Salisbury Square
London
EC4Y 8EH

Date 20 February 2008

MET FILM LIMITED
ABBREVIATED BALANCE SHEET
AS AT 30 JUNE 2007

	Notes	2007 £	2006 £
FIXED ASSETS			
Intangible assets	4	323,411	-
Tangible assets	5	127,019	-
Investments	6	100	85,349
		<u>450,530</u>	<u>85,349</u>
CURRENT ASSETS			
Debtors due after 1 year		42,699	-
Debtors due within 1 year	7	340,614	96,219
Cash at bank and in hand		42,147	76,849
		<u>425,460</u>	<u>173,068</u>
CREDITORS amounts falling due within one year	8	<u>(1,066,499)</u>	<u>(687,780)</u>
NET CURRENT ASSETS		<u>(641,039)</u>	<u>(514,712)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(190,509)</u>	<u>(429,363)</u>
CREDITORS: amounts falling due after more than one year	9	<u>(665,501)</u>	<u>(900,000)</u>
NET ASSETS		<u>(856,010)</u>	<u>(1,329,363)</u>
CAPITAL AND RESERVES			
Called up share capital	10	1,931	831
Share premium account		798,499	99,499
Profit and loss account		<u>(1,656,440)</u>	<u>(1,429,693)</u>
SHAREHOLDERS' FUNDS		<u>(856,010)</u>	<u>(1,329,363)</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, were approved by the board on 19 Feb 2008

Director 

The notes on pages 3 to 7 form part of these financial statements

MET FILM LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2005).

1.3 Turnover

Turnover comprises the invoices value of goods and services supplied by the company, exclusive of Value Added Tax and trade discounts.

1.4 Intangible assets and amortisation

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided at rates calculated to write off the cost of intangible assets over their estimated useful life as follows:

Bolingbroke Lease	42 months straight line
School BA Development Costs	36 months straight line
Goodwill	60 months straight line

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets less their estimated residual value, over their expected useful lives on the following bases:

Computers	33% straight line
Fixtures & Fittings	33% straight line
Office Equipment	33% straight line
Film Making Equipment	33% straight line

1.6 Operating Lease

Assets leased under operating leases are not recorded on the balance sheet. Rental payments are charged directly to the income statement.

MET FILM LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

17 Finance Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

2 OPERATING LOSS

The operating loss is stated after charging

	2007 £	2006 £
Depreciation of intangible fixed assets	84,155	-
Depreciation of tangible fixed assets		
- owned by the company	49,315	43,434
- held under finance leases	8,607	-
Auditors' remuneration	8,450	4,000
	<u>150,527</u>	<u>47,434</u>

3 DIRECTORS' REMUNERATION

	2007 £	2006 £
Aggregate emoluments	78,292	88,595

MET FILM LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

4. INTANGIBLE FIXED ASSETS

	Bolingbroke Lease	School Developm ent	Goodwill	Total
	£	£	£	£
Cost				
Opening balance	-	-	-	-
Additions	22,394	42,204	349,900	414,498
Disposals	-	-	-	-
Closing balance	<u>22,394</u>	<u>42,204</u>	<u>349,900</u>	<u>414,498</u>
Depreciation				
Opening balance	-	-	-	-
Charge for the year	13,330	7,777	69,980	91,087
Closing balance	<u>13,330</u>	<u>7,777</u>	<u>69,980</u>	<u>91,087</u>
Net book value				
At 30 June 2007	<u>9,064</u>	<u>34,427</u>	<u>279,920</u>	<u>323,411</u>
At 30 June 2006	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

5. TANGIBLE FIXED ASSETS

	Computers	Fixtures & Fittings	Office Equipme nt	Film Making Equipme nt	Total
	£	£	£	£	£
Cost					
Opening balance	31,036	32,335	7,735	79,363	150,470
Additions	35,146	3,142	5,479	65,325	109,091
Disposals	(5,874)	-	(4)	(3,621)	(9,499)
Closing balance	<u>60,308</u>	<u>35,477</u>	<u>13,210</u>	<u>141,067</u>	<u>250,062</u>
Depreciation					
Opening balance	14,627	8,538	2,168	39,788	65,121
Charge for the year	11,002	11,352	3,730	31,838	57,922
Closing balance	<u>25,629</u>	<u>19,890</u>	<u>5,898</u>	<u>71,627</u>	<u>123,043</u>
Net book value					
At 30 June 2007	<u>34,679</u>	<u>15,587</u>	<u>7,312</u>	<u>69,440</u>	<u>127,019</u>
At 30 June 2006	<u>16,409</u>	<u>23,797</u>	<u>5,568</u>	<u>39,575</u>	<u>85,349</u>

The net book value of leased assets at 30 June 2007 is £45,675 (2006 £Nil)

MET FILM LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

6. FIXED ASSET INVESTMENTS

	Shares in Group under- takings £	Total £
Cost		
Opening balance	-	-
Additions	<u>100</u>	<u>100</u>
Closing Balance	<u>100</u>	<u>100</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the company

Remote Productions Limited (Registered in the UK) 100% of £1 Ordinary shares

The aggregate of the share capital and reserves as at 30 June 2007 and of the profit or loss for the year ended 31 December 2006 for the subsidiary undertaking was as follows

	Aggregate of share capital & reserves £	Profit/(loss) £
Remote Productions Limited	<u>(12110)</u>	<u>2,565</u>

7. DEBTORS

	2007 £	2006 £
Trade debtors	293,479	25,487
Other debtors	<u>47,135</u>	<u>70,732</u>
	<u>340,614</u>	<u>96,219</u>

8. CREDITORS

	2007 £	2006 £
Amounts falling due within one year		
Trade creditors and accruals	905,538	92,443
Amounts due to related parties	57,830	138,450
Social security and other taxes	84,913	27,220
Finance lease creditor	18,218	-
Other creditors	-	463,494
	<u>1,066,499</u>	<u>687,780</u>

MET FILM LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

9. CREDITORS

	2007 £	2006 £
Amounts falling due greater than one year		
Loan from parent company	638,043	866,173
Finance lease creditor	27,458	-
	<u>665,501</u>	<u>866,173</u>

10. SHARE CAPITAL

	2007 £	2006 £
Authorised, allotted, called up and fully paid		
100,000 Ordinary shares of 1p each	1,000	1,000
Allotted, called up and fully paid		
193,100 Ordinary shares of 1p each	1,931	831

During the year, the company issued 100,000 Ordinary shares of £0.01 for £699,000

11. OPERATING LEASE COMMITMENTS

At 30 June 2007 the company had annual commitments under non-cancellable operating leases as follows

	2007 £	2006 £
Expiry date:		
After more than 5 years	79,975	79,975

12. RELATED PARTY TRANSACTIONS

The company received services in the amount of £108,335 (2006 £Nil) from its parent company, Arts Alliance Media Limited. It also had expenses paid on its behalf in the sum of £12,449 (2006 £ Nil). As at the balance sheet date, the company owed an amount of £5,181 (2006 £Nil).

The company acquired Remote Production Ltd on 01 July 2006 of which Luke Montagu was a director. The purchase price was £350,000.

The company has a loan outstanding to its parent company, Arts Alliance Media Limited. As at the balance sheet date, the company owed an amount of £695,873 (2006 £1,004,623).

13. CONTROLLING PARTY

The immediate parent company is Arts Alliance Media Limited. The ultimate parent company is Cheetah Investments Limited, a company incorporated in the British Virgin Islands.