

**ALLIED STARS FILM LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**Company Registered Number: 6381124**

**28 FEBRUARY 2017**



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**OFFICERS AND PROFESSIONAL ADVISERS**

The board of directors	M. Al Fayed
Company Secretary	A. Morgan
Business Address	Suite 15 55 Park Lane London W1K 1NA
Registered Office	Suite 15 55 Park Lane London W1K 1NA

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**DIRECTORS' REPORT**

**Principal Activity**

The principal activity of the company during the year was the online monitoring of unauthorised circulation of the film "Unlawful Killing". The company also acted as the UK agent for Allied Stars Film SA in respect of license income and associated costs for the film "Breaking Glass".

**Proposed Dividend**

The directors do not recommend the payment of a dividend (2016: nil).

**Directors**

The Directors who held office during the year were as follows:

M. Al Fayed

R. Fallowfield (Resigned 6<sup>th</sup> October 2016)

**Political Contributions**

The Company made no political donations nor incurred any political expenditure during the year.

**Review of Business**

On 26<sup>th</sup> March 2015, the Company received a letter from lawyers representing Associated Rediffusion Productions Ltd ("ARP"), claiming sums totaling £322,546.31 (plus VAT) for costs, which, it is alleged, were authorised by the Company during the making of the film "Unlawful Killing", but which were never paid.

ARP have been asserting a claim for several years but the Company has always denied liability on the basis that the costs claimed were not authorised. The Company has not accounted for these alleged costs, and the claim continues to be vigorously defended.

In preparing this report the directors have taken advantage of the small company exemptions in Part 15 of the Companies Act 2006.

By order of the Board.



A. Morgan  
**Company Secretary**  
Suite 15  
55 Park Lane  
London, W1K 1NA

25th August 2017

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**Statement of Director's Responsibilities in respect of the Directors' report and the financial statements**

The directors are responsible for preparing the directors' 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 applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

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**Profit and Loss Account**  
**For the Year Ended 28 February 2017**

		<b>2017</b>	<b>2016</b>
	Note	<b>£</b>	<b>£</b>
<b>Turnover</b>	2	-	-
Cost of Sales		<u>-</u>	<u>-</u>
<b>Gross Profit</b>		-	-
Administrative expenses		(25,272)	(31,559)
<b>Loss on ordinary activities before taxation</b>	3	<u>(25,272)</u>	<u>(31,559)</u>
Tax on loss on ordinary activities	5	-	-
<b>Loss for the financial year</b>	11	<u><u>(25,272)</u></u>	<u><u>(31,559)</u></u>

The results stated above are all derived from continuing operations.

The notes on pages 6 to 10 are integral to these financial statements.

# ALLIED STARS FILM LIMITED

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### Balance Sheet At 28 February 2017

	Note	28/02/17 £	29/02/16 £
<b>Current Assets</b>			
Debtors	6	-	944
Cash at bank and in hand		3,554	4,523
		<u>3,554</u>	<u>5,467</u>
<b>Creditors: Amounts falling due within one year</b>	7	<u>(1,428,768)</u>	<u>(1,405,409)</u>
<b>Net Current liabilities</b>		<u>(1,425,214)</u>	<u>(1,399,942)</u>
<b>Total assets less current liabilities</b>		<u>(1,425,214)</u>	<u>(1,399,942)</u>
<b>Capital and Reserves</b>			
Called up share capital	9	100	100
Profit and loss reserves	10	(1,425,314)	(1,400,042)
<b>Shareholders' Funds</b>	11	<u>(1,425,214)</u>	<u>(1,399,942)</u>

For the year in question the company was entitled to the exemption under section 477 of the Companies Act 2006. The members have not required the company to obtain an audit of its financial statements for the financial period in question in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records as required by the legislation and complying with the requirements of the Act for the preparation of accounts.

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to companies subject to the small companies regime and with FRS 102, "The Financial Reporting Standard Applicable in the UK and Republic of Ireland".

The financial statements were approved by the board of directors on 25<sup>th</sup> August 2017 and were signed on its behalf by:



A. Morgan

**Company Secretary**

Company Registered Number: 6381124

The notes on pages 6 to 10 are integral to these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS**

**1. Accounting Policies**

**Basis of preparation**

Allied Stars Film Limited is a company limited by shares and incorporated and domiciled in the UK. The financial statements have been prepared under the historical cost convention in accordance with Financial Reporting Standard 102.

In the transition to Section 1A of FRS 102 from UK Accounting Standards (UK Generally Accepted Accounting Practice), the Company has made measurement and recognition adjustments. An explanation of how the transition to FRS 102 has affected the financial position and financial performance of the Company is provided in note 2.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of FRS 102) and has applied the exemptions available in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the year; and
- Cash Flow Statement and related notes; and
- Key management personnel compensation.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. All the amounts in the financial statements have been rounded to the nearest £.

**Going concern**

The financial statements have been prepared on the going concern basis, notwithstanding the company's loss for the year of £25,272 (2016: £31,559) and net current liabilities of £1,425,214 (2016: £1,399,942), which the directors believe to be appropriate for the following reason. The Company is reliant for its working capital on funds provided to it by the Company's ultimate parent undertaking, which has provided the company with an undertaking that it will, for at least 12 months from the date of approval of these financial statements, continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available.



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This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

**Turnover**

Sales of one-off services are recognised when the goods or services supplied have been completed. Amounts due under annually-renewable contracts for a package of services are recognised in equal monthly instalments.

**Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in period different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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**2. Turnover**

All turnover derives from one activity and from one significant geographical area, the UK.

**3. OPERATING LOSS**

**2017**  
**£**

**2016**  
**£**

Included in Loss are the following:

Tax advice

-

-

**4. Directors' remuneration**

No Director received emoluments in the year (2016 : nil)

**5. Taxation**

No taxation charge has been provided in the accounts, based on the results of the year. The company has estimated losses of £1,607,851 to carry forward against future trading profits (2016: £1,582,579).

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<b>6. Debtors</b>	<b>28/02/17</b>	<b>29/02/16</b>
	£	£
VAT Recoverable	-	944
	<u>-</u>	<u>944</u>
<b>7. Creditors Amounts falling due within one year</b>	<b>28/02/17</b>	<b>29/02/16</b>
	£	£
Trade creditors	-	2,284
Production loan	1,400,268	1,400,268
Allied Stars SA Panama	15,000	1,857
Liberty Holding	13,000	-
Accruals	500	1,000
	<u><b>1,428,768</b></u>	<u><b>1,405,409</b></u>
<b>8. Related Party Transactions</b>		
At the year end the company was a wholly owned subsidiary of Sphinx Entertainment Ltd, a company registered in the British Virgin Islands.		
During the year, Liberty Publishing and Media Limited charged a fee of £400 (2015: £6,270) for management and accounting services.		
<b>9. Share capital</b>	<b>28/02/17</b>	<b>29/02/16</b>
Allotted, called up and fully paid:		
	No.      £	No.      £
Ordinary shares of £1 each	<u>100</u> <u>100</u>	<u>100</u> <u>100</u>
<b>10 Profit and loss reserves</b>	<b>28/02/17</b>	<b>29/02/16</b>
	£	£
At start of the year	(1,400,042)	(1,368,483)
Loss for the financial year	(25,272)	(31,559)
At end of the year	<u>(1,425,314)</u>	<u>(1,400,042)</u>
<b>11 Reconciliation of Shareholders' Funds</b>	<b>28/02/17</b>	<b>29/02/16</b>
	£	£
At the start of the year	(1,399,942)	(1,368,383)
Loss for the year	(25,272)	(31,559)
At the end of the year	<u>(1,425,214)</u>	<u>(1,399,942)</u>

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**12. Ultimate Parent Undertaking**

The immediate and ultimate parent undertaking is Sphinx Entertainment Ltd., a company incorporated in the British Virgin Islands. That company is wholly owned by M. Al Fayed who is therefore the ultimate controlling party.