

**ALLIED STARS FILM LTD**  
**FINANCIAL STATEMENTS**  
**28 FEBRUARY 2015**

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**ALLIED STARS FILM LTD**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 28 FEBRUARY 2015**

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**ALLIED STARS FILM LTD**  
**THE DIRECTORS' REPORT**  
**YEAR ENDED 28 FEBRUARY 2015**

The directors present their report and the financial statements of the company for the year ended 28 February 2015.

**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

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".

Following a long period of monitoring unauthorised online activity, the Directors took the decision that it would be impossible to completely suppress all online copies and prevent unauthorised distribution. The decision was taken to cease further monitoring.

On 29<sup>th</sup> August 2014 the Directors took the decision to formally abandon the film on the grounds that it was highly unlikely that circumstances would arise in the future which would allow the film to be distributed in any meaningful way. All carrying costs of the Film had already been written-off so this decision had no further financial impact.

On 26<sup>th</sup> March 2015, the Company received a letter from lawyers representing Associated Rediffusion Productions Ltd ("ARP"), claiming sums totalling £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 never accounted for these alleged costs, and the claim continues to be vigorously defended.

The directors have taken a rigorous assessment of whether the company was a going concern when the accounts were prepared, considering all available information about the future, covering a period of 12 months from the date of the approval of the accounts.

The directors are not aware of any material uncertainty arising from their assessment that would cast doubt on the company's ability to continue as a going concern.

**KEY PERFORMANCE INDICATORS ("KPIs")**

Following the withdrawal of the film "Unlawful Killing" from distribution, there is no activity which would produce meaningful KPI's.

**RESULTS AND DIVIDENDS**

The loss for the year amounted to £11,840 (2014: £125,322). The directors have not recommended a dividend.

**ALLIED STARS FILM LTD**  
**THE DIRECTORS' REPORT**  
**YEAR ENDED 28 FEBRUARY 2015**

**DIRECTORS**

The directors who served the company during the year were as follows:

Mr M Al Fayed  
Mr R Fallowfield

**DIRECTORS' RESPONSIBILITIES**

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 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.

Registered office:  
Suite 5, 55 Park Lane  
London  
W1K 1NA

Signed by order of the directors



R J FALLOWFIELD  
Director

Approved by the directors on 6 October 2015

**ALLIED STARS FILM LTD**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 28 FEBRUARY 2015**

|  | Note     | Year ended<br>28/2/15<br>£ | Year ended<br>28/2/14<br>£ |
|--|----------|----------------------------|----------------------------|
| <b>TURNOVER</b>                                    | <b>2</b> | 11,132                     | -                          |
| Cost of sales                                      |          | -                          | -                          |
| <b>GROSS LOSS</b>                                  |          | 11,132                     | -                          |
| Administrative expenses                            |          | (22,972)                   | (125,322)                  |
| <b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |          | (11,840)                   | (125,322)                  |
| Tax on loss on ordinary activities                 | <b>5</b> | -                          | -                          |
| <b>LOSS FOR THE FINANCIAL YEAR</b>                 |          | <u>(11,840)</u>            | <u>(125,322)</u>           |

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 5 to 7 form part of these financial statements.

# ALLIED STARS FILM LTD

## BALANCE SHEET

28 FEBRUARY 2015

|   | Note | 28/02/15<br>£      | 28/2/14<br>£       |
|---|------|--------------------|--------------------|
| <b>CURRENT ASSETS</b>                                     |      |                    |                    |
| Debtors   | 6    | 164                | 1,173              |
| Cash at bank  |      | <u>4,233</u>       | <u>529</u>         |
|   |      | 4,397              | 1,702              |
| <br><b>CREDITORS: Amounts falling due within one year</b> |      |                    |                    |
|   | 7    | <u>(1,372,780)</u> | <u>(1,358,245)</u> |
| <br><b>NET CURRENT (LIABILITIES) / ASSETS</b>             |      | <u>(1,368,383)</u> | <u>(1,356,543)</u> |
| <br><b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>          |      | <u>(1,368,383)</u> | <u>(1,356,243)</u> |
| <br><b>CAPITAL AND RESERVES</b>                           |      |                    |                    |
| Called-up equity share capital                            | 9    | 100                | 100                |
| Profit and loss account                                   | 10   | <u>(1,368,483)</u> | <u>(1,356,643)</u> |
| <br><b>(DEFICIT) / SHAREHOLDERS' FUNDS</b>                | 11   | <u>(1,368,383)</u> | <u>(1,356,543)</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 year 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.

These financial statements were approved by the directors and authorised for issue on the 6<sup>th</sup> October 2015, and are signed on their behalf by:



R J FALLOWFIELD  
Director

Company Registration Number: 6381124

The notes on pages 5 to 7 form part of these financial statements.

**ALLIED STARS FILM LTD**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 28 FEBRUARY 2015**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention.

**Cash flow statement**

The company has taken advantage of the exemption in Financial Reporting Standard Number 1 "Cash Flow Statements" from the requirement to produce a cash flow statement on the grounds that it is a small company.

**Turnover**

Turnover relates to activity undertaken as UK agent for Allied Stars SA in relation to the continuing exploitation of that Company's film "Breaking Glass".

**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.

**Going concern**

The company's parent, Sphinx Entertainment Ltd, has indicated its continued willingness to support the company and hence the directors have adopted the going concern basis of accounting.

**2. TURNOVER**

The turnover and loss before tax are attributable to the principal activities of the company.

**3. OPERATING LOSS**

Operating loss is stated after charging:

|            | Year ended<br>28/2/15 | Year ended<br>28/2/14 |
|------------|-----------------------|-----------------------|
|            | £                     | £                     |
| Tax Advice | <u>650</u>            | <u>350</u>            |

**ALLIED STARS FILM LTD**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 28 FEBRUARY 2015**

**4. PARTICULARS OF EMPLOYEES**

The average number of persons employed by the company during the financial year, including the directors, amounted to 2 (2014 – 2).

No salaries or wages have been paid to employees, including the directors, during the year.

**5. TAXATION ON ORDINARY ACTIVITIES**

No taxation charge has been provided in the accounts, based upon the results of year.

**6. DEBTORS**

|                 | <b>28/2/15</b> | <b>28/2/14</b> |
|-----------------|----------------|----------------|
|                 | <b>£</b>       | <b>£</b>       |
| Trade Debtors   | -              | 656            |
| VAT Recoverable | 164            | 417            |
| Other Debtors   | -              | 100            |
|                 | <u>164</u>     | <u>1,173</u>   |

**7. CREDITORS: Amounts falling due within one year**

|                        | <b>28/2/15</b>   | <b>28/2/14</b>   |
|------------------------|------------------|------------------|
|                        | <b>£</b>         | <b>£</b>         |
| Trade Creditors        | 1,205            | 1,380            |
| Production Loan        | 1,370,268        | 1,345,868        |
| Allied Stars SA Panama | 307              | 10,647           |
| Accruals               | 1,000            | 350              |
|                        | <u>1,372,780</u> | <u>1,358,245</u> |

**8. RELATED PARTY TRANSACTIONS**

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 £6,270 (2014: £10,895) for management and accounting services. At the balance sheet date the amount owing to Liberty Publishing & Media Ltd was £984 (2014: £468).

No disclosure has been made of any transactions within these financial statements with the immediate parent company in accordance with the exemptions allowed under Financial Reporting Standard No. 8.



**ALLIED STARS FILM LTD**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 28 FEBRUARY 2015**

**9. SHARE CAPITAL**

Authorised, allotted and called up share capital:

|  | 28/2/15    | 28/2/14    |
|--|------------|------------|
|  | £          | £          |
| 100 Ordinary shares of £1 each, fully paid | <u>100</u> | <u>100</u> |

**10. PROFIT AND LOSS ACCOUNT**

|                             | Year<br>ended<br>28/2/15 | Year<br>ended<br>28/2/14 |
|-----------------------------|--------------------------|--------------------------|
|                             | £                        | £                        |
| Balance brought forward     | (1,356,643)              | (1,231,321)              |
| Loss for the financial year | <u>(11,840)</u>          | <u>(125,322)</u>         |
| Balance carried forward     | <u>(1,368,483)</u>       | <u>(1,356,643)</u>       |

**11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

|                                       | Year<br>ended<br>28/2/15 | Year<br>ended<br>28/2/14 |
|---------------------------------------|--------------------------|--------------------------|
|                                       | £                        | £                        |
| Loss for the financial year           | (11,840)                 | (125,322)                |
| Opening shareholders' funds           | <u>(1,356,543)</u>       | <u>(1,123,221)</u>       |
| Closing shareholders' (deficit)/funds | <u>(1,368,383)</u>       | <u>(1,356,543)</u>       |

**12. ULTIMATE PARENT COMPANY**

In the opinion of the directors the immediate and ultimate parent undertaking is Sphinx Entertainment Limited, a company registered in the British Virgin Islands.