



Financial statements United 7 Entertainment Limited

For the Period Ended 15 December 2010



Company No. 07319207

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Report of the director

The director presents his report and the financial statements of the company for the period ended 15 December 2010

Principal activities

The company was incorporated on 20 July 2010

The principal activity of the company during the year was the production of the feature film "Tezz"

Director

The director who served the company during the Period was as follows

B K H Thakrar (Appointed 22 July 2010)

R D Jain (Appointed 20 July 2010, resigned 27 October 2010)

Director's responsibilities

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under company law the director 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

In so far as the director is aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditor is aware of that information

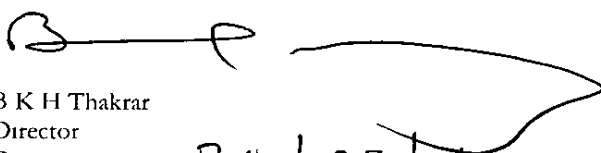
Auditor

Grant Thornton UK LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

ON BEHALF OF THE BOARD


B K H Thakrar
Director
Date 30/03/11



Independent auditor's report to the members of United 7 Entertainment Limited

We have audited the financial statements of United 7 Entertainment Limited for the Period ended 15 December 2010. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

As explained more fully in the Director's Responsibilities Statement set out on pages 3 to 4, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 15 December 2010 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006


In our opinion the information given in the report of the director for the financial period for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of United 7 Entertainment Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the director was not entitled to prepare the financial statements and the report of the director in accordance with the small companies regime



Christine Corner
Senior Statutory Auditor
For and on behalf of Grant Thornton UK LLP
Statutory Auditor
Chartered Accountant

London

Date 30th March 2011

Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Work in progress

Work in progress represents the actual cost incurred during the period in relation to the production of the feature film "Tezz". Work in progress is recorded at lower of cost and net realisable value

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity

Profit and loss account

	Note	2010 £
Turnover		—
Profit on ordinary activities before taxation		—
Tax on profit on ordinary activities	2	(485,313)
Profit for the financial period	7	<u>485,313</u>

The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

	Note	2010 £
Current assets		
Work in progress		4,246,463
Debtors	3	614,452
Cash at bank		48,345
		<u>4,909,260</u>
Creditors amounts falling due within one year	4	<u>4,423,847</u>
Net current assets		<u>485,413</u>
Total assets less current liabilities		<u>485,413</u>
Capital and reserves		
Called-up equity share capital	6	100
Profit and loss account		<u>485,313</u>
Shareholders' funds		<u>485,413</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved and signed by the director and authorised for issue on

30/03/11

B K H Thakrar
Director

Company Registration Number 07319207

The accompanying accounting policies and notes form part of these financial statements.

Notes to the financial statements

1 Other operating charges

	2010 £
Administrative expenses	—
Audit and taxation fees in relation to the period ended 15 December 2010 amounted to £7,250	

2 Taxation on ordinary activities

	2010 £
Analysis of charge in the Period	
Current tax	
UK Corporation tax based on the results for the period	(485,313)
Total current tax	<u>(485,313)</u>

The tax credit recognised during the period ended 15 December 2010 relates to UK film tax credit claim in relation to the company's principal activity

3 Debtors

	2010 £
Other debtor	100
Corporation tax repayable (note 2)	485,313
VAT recoverable	129,039
	<u>614,452</u>

4 Creditors: amounts falling due within one year

	2010 £
Trade creditors	2,128,535
Distribution advances	2,194,692
Other taxation and social security	87,450
Other creditors	13,170
	<u>4,423,847</u>

Under the terms of the Commissioning Distribution Agreement, the company has an obligation to complete the production of the feature film "Tezz", and deliver the film to the Commissioning Distributor. In the period to 15 December 2010, a distribution advance of £2,194,692 was received. This advance is interest free, and will be settled upon delivery of the film, which is expected to be within 12 months.

5 Related party transactions

There were no related party transactions during the period that required disclosure under the Companies Act 2006

6 Share capital

Authorised share capital

	2010 £
100 Ordinary shares of £1 each	<u>100</u>

Allotted and called up,

	No	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

At 15 December 2010 the ordinary share capital of £100 remained unpaid This was fully paid post year end

7 Profit and loss account

	2010 £
Profit for the financial period	485,313
Balance carried forward	<u>485,313</u>

8 Ultimate controlling party

The company is owned and controlled by the sole director, B K H Thakrar