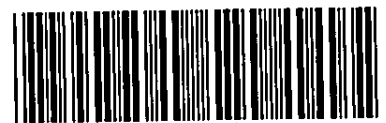


Company Registration No. 3261698 (England and Wales)

**HEYDAY FILMS LIMITED**  
**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2007**

WEDNESDAY



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COMPANIES HOUSE



# HEYDAY FILMS LIMITED

## COMPANY INFORMATION

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|                          |  |
|--------------------------|--|
| <b>Director</b>          | D Heyman   |
| <b>Secretary</b>         | E Heyman   |
| <b>Company number</b>    | 3261698  |
| <b>Registered office</b> | 5 Elstree Gate<br>Elstree Way<br>Borehamwood<br>Herts<br>WD6 1JD                     |
| <b>Auditors</b>          | Ivan Sopher & Co<br>5 Elstree Gate<br>Elstree Way<br>Borehamwood<br>Herts<br>WD6 1JD |
| <b>Bankers</b>           | Barclays Bank plc<br>Soho Square Business Centre<br>27 Soho Square<br>London W1A 4WA |

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# HEYDAY FILMS LIMITED

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| Cash flow statement               | 7           |
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# HEYDAY FILMS LIMITED

## DIRECTOR'S REPORT

### FOR THE YEAR ENDED 30 NOVEMBER 2007

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The director presents his report and financial statements for the year ended 30 November 2007.

#### Principal activities and review of the business

The principal activity of the company continued to be that of film production.

The company continues to derive income from production fees and profit participations earned in relation to past and current productions of feature films. The company has made a profit before taxation for the year of £130,402 (2006 - £280,832).

The management of the business and the execution of the company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the company are considered to be market conditions in the film industry, exchange rate fluctuations, the ability of the company to continue to attract leading talent to the company's film projects and the retention of key personnel.

The financial position of the company remained strong at the balance sheet date with net assets of £1,750,312 (2006 - £1,652,965). The company has no debt.

Given the straightforward nature of the business, the directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

#### Results and dividends

The results for the year are set out on page 5.

The director does not recommend payment of an ordinary dividend.

#### Future developments

The company will continue to exploit existing projects and look to develop new ideas for future production.

#### Director

The following director has held office since 1 December 2006:

D Heyman

#### Charitable donations

During the year the company made the following payments:

Charitable donations

2007  
£

2006  
£

775

1,000

#### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Ivan Sopher & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

# HEYDAY FILMS LIMITED

## DIRECTOR'S REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 NOVEMBER 2007**

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### Director's responsibilities

The director is responsible for preparing 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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:

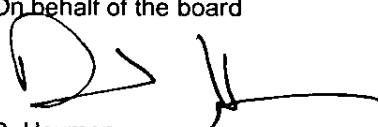
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records that 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 1985. 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.

### Statement of disclosure to auditors

So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



D Heyman

**Director**

9 December 2008

# **HEYDAY FILMS LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE SHAREHOLDERS OF HEYDAY FILMS LIMITED**

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We have audited the financial statements of Heyday Films Limited for the year ended 30 November 2007 set out on pages 5 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 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 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 the director and auditors**

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Director's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the director's report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and other transactions is not disclosed.

We read the director's report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

# HEYDAY FILMS LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE SHAREHOLDERS OF HEYDAY FILMS LIMITED

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#### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 November 2007 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the director's report is consistent with the financial statements.

  
Ian Sopher & Co

9 December 2008

Chartered Accountants  
Registered Auditor

5 Elstree Gate  
Elstree Way  
Borehamwood  
Herts  
WD6 1JD



# HEYDAY FILMS LIMITED

## PROFIT AND LOSS ACCOUNT

**FOR THE YEAR ENDED 30 NOVEMBER 2007**

|  | Notes | 2007<br>£    | 2006<br>£   |
|--|-------|--------------|-------------|
| Turnover   | 2     | 10,719,826   | 8,335,364   |
| Cost of sales  |       | (10,064,723) | (7,239,042) |
| <b>Gross profit</b>                                  |       | 655,103      | 1,096,322   |
| Administrative expenses                              |       | (1,214,029)  | (904,441)   |
| <b>Operating (loss)/profit</b>                       | 3     | (558,926)    | 191,881     |
| Investment income                                    | 4     | 658,416      | 51,044      |
| Other interest receivable and similar income         | 4     | 54,760       | 133,085     |
| Amounts written off investments                      | 5     | -            | (10,254)    |
| Interest payable and similar charges                 | 6     | (23,848)     | (84,924)    |
| <b>Profit on ordinary activities before taxation</b> |       | 130,402      | 280,832     |
| Tax on profit on ordinary activities                 | 7     | (33,055)     | (55,125)    |
| <b>Profit for the year</b>                           | 13    | 97,347       | 225,707     |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

# HEYDAY FILMS LIMITED

## BALANCE SHEET

AS AT 30 NOVEMBER 2007

|   | Notes | 2007<br>£          | £                | 2006<br>£          | £                |
|---|-------|--------------------|------------------|--------------------|------------------|
| <b>Fixed assets</b>                                   |       |                    |                  |                    |                  |
| Tangible assets                                       | 8     |                    | 12,715           |                    | 11,213           |
| <b>Current assets</b>                                 |       |                    |                  |                    |                  |
| Debtors   | 9     | 3,368,593          |                  | 607,459            |                  |
| Investments   | 10    | -                  |                  | 3,680,015          |                  |
| Cash at bank and in hand                              |       | 439,895            |                  | 1,429,792          |                  |
|   |       | <u>3,808,488</u>   |                  | <u>5,717,266</u>   |                  |
| <b>Creditors: amounts falling due within one year</b> | 11    | <u>(2,070,891)</u> |                  | <u>(4,075,514)</u> |                  |
| <b>Net current assets</b>                             |       |                    | <u>1,737,597</u> |                    | <u>1,641,752</u> |
| <b>Total assets less current liabilities</b>          |       |                    | <u>1,750,312</u> |                    | <u>1,652,965</u> |
| <b>Capital and reserves</b>                           |       |                    |                  |                    |                  |
| Called up share capital                               | 12    |                    | 1                |                    | 1                |
| Profit and loss account                               | 13    |                    | <u>1,750,311</u> |                    | <u>1,652,964</u> |
| <b>Shareholders' funds</b>                            | 14    |                    | <u>1,750,312</u> |                    | <u>1,652,965</u> |

Approved by the Board and authorised for issue on 9 December 2008

  
D Heyman  
Director

# HEYDAY FILMS LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 2007

|   | 2007        | 2006        |
|---|-------------|-------------|
|   | £           | £           |
| <b>Net cash outflow from operating activities</b>                           | (4,734,963) | (3,386,254) |
| <b>Returns on investments and servicing of finance</b>                      |             |             |
| Interest received   | 54,760      | 133,085     |
| Interest paid   | (23,848)    | (84,924)    |
| Dividends received  | 32          | 4,642       |
| <b>Net cash inflow for returns on investments and servicing of finance</b>  | 30,944      | 52,803      |
| <b>Taxation</b>   | -           | (51,358)    |
| <b>Capital expenditure and financial investment</b>                         |             |             |
| Payments to acquire tangible assets   | (6,692)     | -           |
| Receipts from sales of investments  | 60,767      | 46,402      |
| <b>Net cash inflow for capital expenditure</b>                              | 54,075      | 46,402      |
| <b>Net cash outflow before management of liquid resources and financing</b> | (4,649,944) | (3,338,407) |
| <b>Management of liquid resources</b>                                       |             |             |
| Current asset investments   | 3,680,015   | 485,644     |
|   | 3,680,015   | 485,644     |
| <b>Financing</b>  |             |             |
| Repayment of long term bank loan  | -           | (1,271,278) |
| <b>Net cash outflow from financing</b>                                      | -           | (1,271,278) |
| <b>Decrease in cash in the year</b>   | (969,929)   | (4,124,041) |

# HEYDAY FILMS LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2007

| 1 | Reconciliation of operating (loss)/profit to net cash outflow from operating activities | 2007               |                    | 2006                   |                  |
|---|---|--------------------|--------------------|------------------------|------------------|
|   |   | £                  |                    | £                      |                  |
|   | Operating (loss)/profit   | (558,926)          |                    | 191,881                |                  |
|   | Depreciation of tangible assets   | 5,190              |                    | 5,136                  |                  |
|   | (Increase)/decrease in debtors  | (2,163,517)        |                    | 565                    |                  |
|   | Decrease in creditors within one year   | (2,017,710)        |                    | (3,583,836)            |                  |
|   | <b>Net cash outflow from operating activities</b>                                       | <b>(4,734,963)</b> |                    | <b>(3,386,254)</b>     |                  |
| 2 | Analysis of net funds   | 1 December 2006    | Cash flow          | Other non-cash changes | 30 November 2007 |
|   |   | £                  | £                  | £                      | £                |
|   | Net cash:   |                    |                    |                        |                  |
|   | Cash at bank and in hand  | 1,429,792          | (989,897)          | -                      | 439,895          |
|   | Bank overdrafts   | (19,968)           | 19,968             | -                      | -                |
|   |   | <u>1,409,824</u>   | <u>(969,929)</u>   | <u>-</u>               | <u>439,895</u>   |
|   | Liquid resources:   |                    |                    |                        |                  |
|   | Current asset investments   | 3,680,015          | (3,680,015)        | -                      | -                |
|   | <b>Net funds</b>  | <u>5,089,839</u>   | <u>(4,649,944)</u> | <u>-</u>               | <u>439,895</u>   |
| 3 | Reconciliation of net cash flow to movement in net funds                                | 2007               |                    | 2006                   |                  |
|   |   | £                  |                    | £                      |                  |
|   | Decrease in cash in the year  | (969,929)          |                    | (4,124,041)            |                  |
|   | Cash inflow from decrease in liquid resources   | (3,680,015)        |                    | (485,644)              |                  |
|   | Cash (inflow)/outflow from (increase)/decrease in debt                                  | -                  |                    | 1,271,279              |                  |
|   | Change in net debt resulting from cash flows  | (4,649,944)        |                    | (3,338,406)            |                  |
|   | Amounts written off short-term investments  | -                  |                    | (10,254)               |                  |
|   | <b>Movement in net funds in the year</b>  | <b>(4,649,944)</b> |                    | <b>(3,348,660)</b>     |                  |
|   | Opening net funds   | 5,089,839          |                    | 8,438,499              |                  |
|   | <b>Closing net funds</b>  | <u>439,895</u>     |                    | <u>5,089,839</u>       |                  |

**NOTES TO THE FINANCIAL STATEMENTS**  
***FOR THE YEAR ENDED 30 NOVEMBER 2007***

(416.399)

# HEYDAY FILMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2007

|          |   |                |                |
|----------|---|----------------|----------------|
| <b>4</b> | <b>Investment income</b>  | <b>2007</b>    | <b>2006</b>    |
|          |   | <b>£</b>       | <b>£</b>       |
|          | Income from investments   | 658,416        | 51,044         |
|          | Bank interest   | 54,760         | 133,085        |
|          |   | <u>713,176</u> | <u>184,129</u> |
| <b>5</b> | <b>Amounts written off investments</b>  | <b>2007</b>    | <b>2006</b>    |
|          |   | <b>£</b>       | <b>£</b>       |
|          | Amounts written off current asset investments   | -              | 10,254         |
| <b>6</b> | <b>Interest payable</b>   | <b>2007</b>    | <b>2006</b>    |
|          |   | <b>£</b>       | <b>£</b>       |
|          | On bank loans and overdrafts  | 23,848         | 84,924         |
| <b>7</b> | <b>Taxation</b>   | <b>2007</b>    | <b>2006</b>    |
|          |   | <b>£</b>       | <b>£</b>       |
|          | <b>Domestic current year tax</b>  |                |                |
|          | U.K. corporation tax  | 33,055         | 55,125         |
|          | <b>Current tax charge</b>   | <u>33,055</u>  | <u>55,125</u>  |
|          | <b>Factors affecting the tax charge for the year</b>  |                |                |
|          | Profit on ordinary activities before taxation   | 130,402        | 280,832        |
|          | Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2006 - 19.00%) | <u>39,121</u>  | <u>53,358</u>  |
|          | Effects of:   |                |                |
|          | Non deductible expenses   | 9,717          | 5,215          |
|          | Depreciation add back   | 1,557          | 976            |
|          | Capital allowances  | (1,621)        | (691)          |
|          | Chargeable disposals  | -              | (2,851)        |
|          | Dividends and distributions received  | (10)           | (882)          |
|          | Marginal rate adjustment  | (15,709)       | -              |
|          |   | <u>(6,066)</u> | <u>1,767</u>   |
|          | <b>Current tax charge</b>   | <u>33,055</u>  | <u>55,125</u>  |

# HEYDAY FILMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2007

### 8 Tangible fixed assets

|                       | Fixtures,<br>fittings &<br>equipment<br>£ |
|-----------------------|---|
| <b>Cost</b>           |   |
| At 1 December 2006    | 44,028                                    |
| Additions             | 6,692                                     |
|                       | <hr/>                                     |
| At 30 November 2007   | 50,720                                    |
|                       | <hr/>                                     |
| <b>Depreciation</b>   |   |
| At 1 December 2006    | 32,815                                    |
| Charge for the year   | 5,190                                     |
|                       | <hr/>                                     |
| At 30 November 2007   | 38,005                                    |
|                       | <hr/>                                     |
| <b>Net book value</b> |   |
| At 30 November 2007   | 12,715                                    |
|                       | <hr/>                                     |
| At 30 November 2006   | 11,213                                    |
|                       | <hr/>                                     |

### 9 Debtors

|                                | 2007<br>£ | 2006<br>£ |
|--------------------------------|-----------|-----------|
| Trade debtors                  | 2,815,319 | 8,623     |
| Other debtors                  | 546,970   | 586,496   |
| Prepayments and accrued income | 6,304     | 12,340    |
|                                | <hr/>     | <hr/>     |
|                                | 3,368,593 | 607,459   |
|                                | <hr/>     | <hr/>     |

### 10 Current asset investments

|  | 2007<br>£ | 2006<br>£ |
|--|-----------|-----------|
| Listed investments                     | -         | 3,680,015 |
|  | <hr/>     | <hr/>     |
| Market valuation of listed investments | -         | 4,020,997 |
|  | <hr/>     | <hr/>     |

# HEYDAY FILMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2007

|  |                  |  |
|--|------------------|--|
| <b>11 Creditors: amounts falling due within one year</b>     | <b>2007</b>      | <b>2006</b>                                  |
|  | <b>£</b>         | <b>£</b>                                     |
| Bank loans and overdrafts                                    | -                | 19,968                                       |
| Trade creditors  | 717,024          | 1,936,802                                    |
| Corporation tax  | 88,180           | 55,125                                       |
| Other taxes and social security costs                        | 74,703           | -  |
| Director's current accounts                                  | 831,554          | 1,775,893                                    |
| Accruals and deferred income                                 | 359,430          | 287,726                                      |
|  | <u>2,070,891</u> | <u>4,075,514</u>                             |
| <b>12 Share capital</b>                                      | <b>2007</b>      | <b>2006</b>                                  |
|  | <b>£</b>         | <b>£</b>                                     |
| <b>Authorised</b>  |                  |  |
| 100 Ordinary shares of £1 each                               | <u>100</u>       | <u>100</u>                                   |
| <b>Allotted, called up and fully paid</b>                    |                  |  |
| 1 Ordinary share of £1                                       | <u>1</u>         | <u>1</u>                                     |
| <b>13 Statement of movements on profit and loss account</b>  |                  | <b>Profit and<br/>loss<br/>account<br/>£</b> |
| Balance at 1 December 2006                                   |                  | 1,652,964                                    |
| Profit for the year  |                  | <u>97,347</u>                                |
| Balance at 30 November 2007                                  |                  | <u>1,750,311</u>                             |
| <b>14 Reconciliation of movements in shareholders' funds</b> | <b>2007</b>      | <b>2006</b>                                  |
|  | <b>£</b>         | <b>£</b>                                     |
| Profit for the financial year                                | 97,347           | 225,707                                      |
| Opening shareholders' funds                                  | <u>1,652,965</u> | <u>1,427,258</u>                             |
| Closing shareholders' funds                                  | <u>1,750,312</u> | <u>1,652,965</u>                             |



# HEYDAY FILMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 NOVEMBER 2007

#### 15 Financial commitments

At 30 November 2007 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 November 2008:

|                                | <b>Land and buildings</b> |             |
|--------------------------------|---------------------------|-------------|
|                                | <b>2007</b>               | <b>2006</b> |
|                                | <b>£</b>                  | <b>£</b>    |
| Operating leases which expire: |                           |             |
| Between two and five years     | 13,860                    | 13,860      |

#### 16 Director's emoluments

|                                    | <b>2007</b> | <b>2006</b> |
|------------------------------------|-------------|-------------|
|                                    | <b>£</b>    | <b>£</b>    |
| Emoluments for qualifying services | 150,000     | 150,000     |

#### 17 Transactions with directors

During the year, the company paid fees of £150,000 (2006 - £150,000) to the Heyhey Film Partnership, a business in which the director, D Heyman, has a participating interest.

During the year the company incurred fees of £9,276,261 (2006 - £6,675,000) to D Heyman for production services.

#### 18 Employees

##### Number of employees

The average monthly number of employees (including directors) during the year was:

|                | <b>2007</b>   | <b>2006</b>   |
|----------------|---------------|---------------|
|                | <b>Number</b> | <b>Number</b> |
| Director       | 1             | 1             |
| Administration | 1             | 1             |
|                | 2             | 2             |

##### Employment costs

|                       | <b>2007</b> | <b>2006</b> |
|-----------------------|-------------|-------------|
|                       | <b>£</b>    | <b>£</b>    |
| Wages and salaries    | 184,318     | 188,693     |
| Social security costs | 22,031      | 25,112      |
|                       | 206,349     | 213,805     |

# HEYDAY FILMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 30 NOVEMBER 2007**

---

### **19 Control**

During the current and preceding year the company remained under the control of David Heyman who is the sole director and shareholder.

### **20 Related party transactions**

During the year the company paid fees of £350,000 (2006 - £350,000) to World Film Services, Inc., a company in which the father of D Heyman has a material interest.

During the year the company made a loan of £500,000 (2006 - £-) to Lark Hall Films Limited, a company controlled by D Heyman. In addition, Lark Hall Films Limited was recharged development and associated costs amounting to £32,061 (2006 - £-) for initial development and pre-production of a feature film being produced by that company.