

Unaudited Financial Statements for the Year Ended 31 December 2019

for

Media Releasing International Ltd

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for the Year Ended 31 December 2019**

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DIRECTORS:

Mr L Levinson
Miss A J Wilby
Mrs V A Kinrade TEP

SECRETARY:

Third Clifton Nominees Limited

REGISTERED OFFICE:

Office 07
2 London Bridge Walk
London
SE1 2SX

REGISTERED NUMBER:

04031974 (England and Wales)

ACCOUNTANTS:

ILS Fiduciaries (IOM) Limited
First Floor
Millennium House
Victoria Road
Douglas
Isle of Man
IM2 4RW

Balance Sheet
31 December 2019

	Notes	2019 \$	\$	2018 \$	\$
FIXED ASSETS					
Intangible assets	4		3,441,189		4,301,485
Tangible assets	5		-		-
Investments	6		-		60,000
			<u>3,441,189</u>		<u>4,361,485</u>
CURRENT ASSETS					
Debtors	7	1,379,102		1,071,449	
Cash at bank		<u>37,614</u>		<u>4,361</u>	
		1,416,716		1,075,810	
CREDITORS					
Amounts falling due within one year	8	<u>20,360,574</u>		<u>19,840,738</u>	
NET CURRENT LIABILITIES			<u>(18,943,858)</u>		<u>(18,764,928)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			(15,502,669)		(14,403,443)
CREDITORS					
Amounts falling due after more than one year	9		<u>1,712,601</u>		<u>1,723,150</u>
NET LIABILITIES			<u>(17,215,270)</u>		<u>(16,126,593)</u>
CAPITAL AND RESERVES					
Called up share capital	10		1,699		1,699
Share premium	11		1,383		1,383
Retained earnings	11		<u>(17,218,352)</u>		<u>(16,129,675)</u>
SHAREHOLDERS' FUNDS			<u>(17,215,270)</u>		<u>(16,126,593)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2019 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

Balance Sheet - continued
31 December 2019

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 24 December 2020 and were signed on its behalf by:

Miss A J Wilby - Director

**Notes to the Financial Statements
for the Year Ended 31 December 2019**

1. STATUTORY INFORMATION

Media Releasing International Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the US Dollar (\$).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Intangible fixed assets - film rights

Film rights are included at cost and are amortised over the useful economic life of the asset by reference to the total projected income earned from the exploitation of these rights. The method used to calculate amortisation is the double declining method over a 10 year period for the purpose of providing a true and fair view.

Intangible fixed assets - film scripts

Film scripts are included at their historical cost. For the purpose of providing a true and fair view, no amortisation is charged as it is apparent the film scripts are not attracting any benefit at present. The carrying value is reviewed on an annual basis for any impairment.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Foreign currencies

Assets and liabilities in foreign currencies, with the exception of share capital, are translated into United States dollars at the rates of exchange ruling at the balance sheet date. Share capital is translated at the historical rate. Transactions in foreign currencies are translated into United States dollars at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Going concern

The financial statements have been prepared on a going concern basis notwithstanding the excess of liabilities over assets as the directors believe the beneficial owner will continue to make adequate funds available to enable the company to meet its liabilities as and when they fall due. The directors have no reason to believe that financial support will not continue in the future and considered it appropriate to adopt a going concern basis. The accounts do not contain any adjustments that would be necessary should this basis not be appropriate.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

2. ACCOUNTING POLICIES - continued

Financial instruments

The company only enters into basic financial transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, and loans from or to banks and related parties. Debt instruments that are payable or receivable within one year (typically loans, trade debtors and creditors) or that bear interest at a commercial rate and are payable or receivable after more than one year, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid. Basic financial instruments that are due after one year or financed at a rate of interest that is not at market rate should be measured at amortised cost. The amortised cost has not been calculated. This policy deviates from the requirements of Section 11 of FRS102, however under Section 1A of FRS102 the company is not required to apply section 11 unless it were to prevent the financial statements from giving a true and fair view of the financial position and profit and loss of the entity for the reporting period. The directors have determined that the deviation from the standard will not materially affect the financial statements and therefore have opted not to calculate and disclose financial instruments at amortised cost.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was NIL (2018 - NIL).

4. INTANGIBLE FIXED ASSETS

	Film rights \$	Production investments \$	Totals \$
COST			
At 1 January 2019 and 31 December 2019	83,693,366	2,770,000	86,463,366
AMORTISATION			
At 1 January 2019	80,526,473	1,635,408	82,161,881
Amortisation for year	633,378	226,918	860,296
At 31 December 2019	81,159,851	1,862,326	83,022,177
NET BOOK VALUE			
At 31 December 2019	2,533,515	907,674	3,441,189
At 31 December 2018	3,166,893	1,134,592	4,301,485

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

5. TANGIBLE FIXED ASSETS

Computer
equipment
\$**COST**At 1 January 2019
and 31 December 20191,626**DEPRECIATION**At 1 January 2019
and 31 December 20191,626**NET BOOK VALUE**At 31 December 2019
At 31 December 2018--

6. FIXED ASSET INVESTMENTS

Shares in
group
undertakings
\$**COST**At 1 January 2019
Impairments

60,000

(60,000)

At 31 December 2019

-**NET BOOK VALUE**At 31 December 2019
At 31 December 2018-60,000

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Stonewerks Entertainment, Inc.Registered office: Nevada, United States of America
Nature of business: Consultancy Service

Class of shares:	% holding
Ordinary	100.00

	31.12.19	31.12.18
	\$	\$
Aggregate capital and reserves	(1,831,969)	(1,281,348)
Loss for the year	<u>(550,621)</u>	<u>(212,323)</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

6. FIXED ASSET INVESTMENTS - continued

Mediapool, LLC

Registered office: Nevada, United States of America

Nature of business: Film production and distribution

	% holding	31.12.19	31.12.18
Class of shares:		\$	\$
Ordinary	100.00		
Aggregate capital and reserves		(1,801,432)	(1,753,544)
Loss for the year		<u>(40,659)</u>	<u>(32,626)</u>

Kalo Media LLC

Registered office: Nevada, United States of America

Nature of business: Film production and distribution

	% holding	31.12.19	31.12.18
Class of shares:		\$	\$
Ordinary	100.00		
Aggregate capital and reserves		(94,835)	(93,585)
Loss for the year		<u>(1,250)</u>	<u>(1,270)</u>

During the year a provision was made to fully impair the companies fixed asset investments due to the ongoing reporting of a going concern in their respective financial statements.

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	\$	\$
Trade debtors	310,358	-
Other debtors	-	25,556
Amounts owed by group undertakings	8,690	8,651
Sundry debtors	-	1,900
Prepayments	1,146	19,776
Foreign withholding taxation	37,115	38,216
VAT	43,852	9,287
Accrued income	977,941	968,063
	<u>1,379,102</u>	<u>1,071,449</u>

The amounts owed by group undertakings are unsecured, interest-free and repayable on demand.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	\$	\$
Bank loans and overdrafts	-	1
Trade creditors	7,202,289	6,785,609
Sundry creditors	2,200,040	2,242,294
Amounts owed to group undertakings	6,033,455	6,031,372
Amounts owed to sundry creditors	2,900,652	2,806,658
Amounts owed to other creditors	45,000	-
Accruals	1,979,138	1,974,804
	<u>20,360,574</u>	<u>19,840,738</u>

Trade creditors include an amount of US\$6,528,878 (2018: US\$6,239,620) payable to the parent company Alpine Copyright Limited.

Sundry creditors contain loans of US\$85,740 (2018: US\$129,290) which are unsecured interest free and not subject to a fixed repayment date. Also included in sundry creditors contains an amount of US\$2,114,300 (2018: US\$2,113,004) which is payable to the parent company Alpine Copyright Limited.

Amounts owed to group undertakings contains loans which are unsecured, subject to 4.15% interest per annum and repayable on demand.

The loans from participating interests are unsecured, interest-free and repayable on demand.

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019	2018
	\$	\$
Amounts owed to external party	<u>1,712,601</u>	<u>1,723,150</u>

Amounts owed to external parties represents a credit facility in the sum of US\$ 1,550,000, subject to 1% interest per annum and will accrue daily until repayment. There is no fixed date for repayment. Also contained within this amount is a loan of £20,000 which is unsecured, interest free and not subject to a fixed repayment date.

10. CALLED UP SHARE CAPITAL

Allotted and issued:				
Number:	Class:	Nominal value:	2019	2018
			\$	\$
1,000	Ordinary	£1	<u>1,699</u>	<u>1,699</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

11. RESERVES

	Retained earnings \$	Share premium \$	Totals \$
At 1 January 2019	(16,129,675)	1,383	(16,128,292)
Deficit for the year	(1,088,677)		(1,088,677)
At 31 December 2019	(17,218,352)	1,383	(17,216,969)

12. RELATED PARTY DISCLOSURES

The following transactions with related parties occurred during the year ended 31 December 2019:

Name	Nature of relationship	Nature of transaction	Volume of transactions \$	Debit/(credit) balances at 31 December 2019 \$	Debit/(credit) balances at 31 December 2018 \$
Alpine Copyright Limited	Parent	Financing	(1,298)	(4,578,521)	(4,577,223)
Alpine Copyright Limited	Parent	Trading	(289,258)	(6,528,878)	(6,239,620)
Alpine Copyright Limited	Parent	Trading - accrued income	-	72,946	72,946
LLP Productions Services	Common control	Financing	(93,994)	(2,900,652)	(2,806,658)
Stonewerks Limited	Subsidiary	Trading	-	(440,000)	(440,000)
Mediapool, LLC	Subsidiary	Financing	-	(458,958)	(458,958)
Kalo Media LLC	Subsidiary	Financing	-	8,651	8,651
PixL Entertainment LLC	Common control	Trading - accrued income	7,829	95,148	87,319
Mossgill Limited	Common control	Financing	32	(3,083,163)	(3,083,195)
Greystoke					
Entertainment Inc	Common control	Trading	-	(20,000)	(20,000)
Alpine Copyright Limited	Parent	Trading - accrued expenses	400	(794,290)	(794,690)
United Releasing International Limited	Common control	Financing	30	30	-
Mediapool, LLC	Subsidiary	Trading	(88,602)	(88,602)	-

13. POST BALANCE SHEET EVENTS

The effect of events relating to the year ended 31 December 2019, which occurred before the date of approval of the financial statements by the directors, have been included to the extent required to show a true and fair view of the state of affairs at 31 December 2019 and of the results of the year ended on that date.

14. ULTIMATE CONTROLLING PARTY

The controlling party is Mr L Levinson.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.