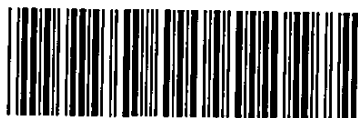


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COMPANY REGISTRATION NUMBER 4920512

CHARLOTTE STREET FILMS LIMITED
FINANCIAL STATEMENTS
31 OCTOBER 2007

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CHARLOTTE STREET FILMS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The director	E Jarecki
Company secretary	TEMPLE SECRETARIAL LIMITED
Registered office	16 Old Bailey London EC4M 7EG
Accountants	Wells & Co , Chartered Accountants Telford House Hamilton Close Basingstoke RG21 6YT
Solicitors	Withers 16 Old Bailey London EC4M 7EG

CHARLOTTE STREET FILMS LIMITED

THE DIRECTOR'S REPORT

YEAR ENDED 31 OCTOBER 2007

The director presents his report and the unaudited financial statements of the company for the year ended 31 October 2007

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of documentary film production

The production "Why we fight", co-produced with the BBC and other leading European and Canadian broadcasting networks, was successfully released in the cinema during 2006 and continues to generate revenue. The company is exploring various future production projects for 2008/9

DIRECTOR

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

E Jarecki

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

Registered office
16 Old Bailey
London
EC4M 7EG

Signed by order of the director


TEMPLE SECRETARIAL LIMITED
Company Secretary

Approved by the director on 22 October 2008



CHARLOTTE STREET FILMS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 OCTOBER 2007

	Note	2007 £	2006 £
TURNOVER		66,751	179,383
Cost of sales		<u>80,731</u>	<u>121,261</u>
GROSS (LOSS)/PROFIT		(13,980)	58,122
Distribution costs		13,474	123,837
Administrative expenses		(26,798)	(14,399)
		-----	-----
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(656)	(51,316)
		----	-----
LOSS FOR THE FINANCIAL YEAR		(656)	(51,316)
Balance brought forward		(124,324)	(73,008)
Balance carried forward		(124,980)	(124,324)

The notes on pages 5 to 8 form part of these financial statements.

CHARLOTTE STREET FILMS LIMITED

BALANCE SHEET

31 OCTOBER 2007

	Note	2007 £	£	2006 £
FIXED ASSETS				
Intangible assets	3		–	29,278
Investments	4		–	51,056
			–	80,334
CURRENT ASSETS				
Debtors	5	7,036		7,036
Cash at bank		128,358		205,295
		135,394		212,331
CREDITORS: Amounts falling due within one year	6	15,395		116,988
NET CURRENT ASSETS			119,999	95,343
TOTAL ASSETS LESS CURRENT LIABILITIES			119,999	175,677
CREDITORS: Amounts falling due after more than one year	7		244,978	300,000
			(124,979)	(124,323)
CAPITAL AND RESERVES				
Called-up equity share capital	9		1	1
Profit and loss account			(124,980)	(124,324)
DEFICIT			(124,979)	(124,323)

The director is satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act

The director acknowledges his responsibility for

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

These financial statements were approved and signed by the director and authorised for issue on 22 October 2008

E JARECKI
Director



The notes on pages 5 to 8 form part of these financial statements.

CHARLOTTE STREET FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2007

1. 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 January 2005)

Turnover

Turnover represents the amounts received or receivable for goods provided and work done for customers, including estimates for work not invoiced, exclusive of value added tax. Turnover and related costs of programmes are recognised once production is substantially complete.

Income from the sales of licences is recognised once the contractual arrangement has been concluded and all substantive conditions have been satisfied.

Where sufficient evidence of amounts due can be obtained, royalty income is recognised on an accruals basis. Advances on royalties are recognised once a formal contract is in place and the contractual obligations have been fulfilled. Amounts due under agreements which have not been credited to income are included as deferred income.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

Other intangible assets

Rights and licences

Intangible assets are stated at cost less accumulated amortisation.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Rights and licences - up to 3 years

Foreign currencies

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. Exchange differences are taken into account in arriving at the operating profit.

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.

CHARLOTTE STREET FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2007

1. ACCOUNTING POLICIES *(continued)*

Grants

Grants received from government bodies and film institutes are recognised and matched to the expenditure to which the grant relates. Revenue grants are recognised in the profit and loss account when the relevant revenue expenditure is recognised. Capital expenditure grants are included in accruals and deferred income and amortised over the life of the fixed asset to which they relate.

2. OPERATING LOSS

Operating loss is stated after charging/(crediting)

	2007 £	2006 £
Director's emoluments	—	—
Amortisation	29,278	29,277
Depreciation of owned fixed assets	51,056	51,057
Net profit on foreign currency translation	(32,217)	(18,674)

3. INTANGIBLE FIXED ASSETS

	Rights and licences £
COST	
At 1 November 2006 and 31 October 2007	87,832
AMORTISATION	
At 1 November 2006	58,554
Charge for the year	29,278
At 31 October 2007	87,832
NET BOOK VALUE	
At 31 October 2007	—
At 31 October 2006	29,278

CHARLOTTE STREET FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2007

4. INVESTMENTS

Film and TV related investments

Total

	£
COST	
At 1 November 2006 and 31 October 2007	<u>153,170</u>
AMOUNTS WRITTEN OFF	
At 1 November 2006	102,114
Written off in year	<u>51,056</u>
At 31 October 2007	<u>153,170</u>
NET BOOK VALUE	
At 31 October 2007	-
At 31 October 2006	<u>51,056</u>

5. DEBTORS

	2007	2006
	£	£
Other debtors	<u>7,036</u>	<u>7,036</u>

6. CREDITORS: Amounts falling due within one year

	2007	2006
	£	£
Trade creditors	-	89,195
Other taxation	133	220
Other creditors	<u>15,262</u>	<u>27,573</u>
	<u>15,395</u>	<u>116,988</u>

7. CREDITORS: Amounts falling due after more than one year

	2007	2006
	£	£
Other creditors	<u>244,978</u>	<u>300,000</u>

The £244,978 represents an interest free loan from Charlotte Street Films LLC The loan is due for repayment on 1 January 2010

8. RELATED PARTY TRANSACTIONS

The company was under the control of Mr E Jarecki throughout the current period Mr E Jarecki is the managing director and sole shareholder

Mr E Jarecki is the managing director and majority shareholder of Charlotte Street Films LLC At 31 October 2007 the company owed Charlotte Street Films LLC £244,978 in respect of an interest free loan repayable on 1 January 2010 as disclosed in note 7

CHARLOTTE STREET FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2007

9. SHARE CAPITAL

Authorised share capital:

	2007	2006
	£	£
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid:

	2007		2006	
	No	£	No	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>