

Registered number: 05035508

ACCESS INDUSTRIES (UK) LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2015**

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ACCESS INDUSTRIES (UK) LIMITED

COMPANY INFORMATION

Directors	Daniel M Rosen Access Industries Management LLC
Company secretary	Thomas C Harding
Registered number	05035508
Registered office	6th Floor, Marble Arch House 66 Seymour Street London W1H 5BT
Independent auditor	Nexia Smith & Williamson Statutory Auditor & Chartered Accountants 25 Moorgate London EC2R 6AY

ACCESS INDUSTRIES (UK) LIMITED

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ACCESS INDUSTRIES (UK) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2015**

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

Directors' responsibilities statement

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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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.

Principal activities

The principal activity of the Company continues to be the provision of advisory services to its ultimate parent company, Access Industries, Inc.

Directors

The directors who served during the year were:

Daniel M Rosen
Access Industries Management LLC

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

ACCESS INDUSTRIES (UK) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2015**

Auditor

The auditor, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on *11/23/15* and signed on its behalf.


Access Industries Management LLC
Director

ACCESS INDUSTRIES (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACCESS INDUSTRIES (UK) LIMITED

We have audited the financial statements of Access Industries (UK) Limited for the year ended 28 February 2015 which comprise the Profit and loss account, the Balance sheet and the related notes 1 to 15. 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 Chapter 3 of Part 16 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 directors and auditor

As explained more fully in the Directors' responsibilities statement, the directors are 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 28 February 2015 and of its profit for the year 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ACCESS INDUSTRIES (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACCESS INDUSTRIES (UK) LIMITED

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.

Nexia Smith & Williamson

Lindsay Manson (Senior Statutory Auditor)

for and on behalf of
Nexia Smith & Williamson

Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

Date: 25 NOVEMBER 2015

ACCESS INDUSTRIES (UK) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 28 FEBRUARY 2015**

	Note	2015 £	2014 £
TURNOVER	1	3,181,938	3,654,729
Administrative expenses		(3,030,415)	(3,479,827)
OPERATING PROFIT	2	151,523	174,902
Interest receivable and similar income		426	580
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		151,949	175,482
Tax on profit on ordinary activities	4	(43,064)	(41,482)
PROFIT FOR THE FINANCIAL YEAR	11	108,885	134,000

The notes on pages 7 to 13 form part of these financial statements.

ACCESS INDUSTRIES (UK) LIMITED
REGISTERED NUMBER: 05035508

BALANCE SHEET
AS AT 28 FEBRUARY 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	5		618,427		35,839
Investments	6		16,099		16,099
			<u>634,526</u>		<u>51,938</u>
CURRENT ASSETS					
Debtors	7	585,346		867,038	
Cash in hand		87,335		217,101	
		<u>672,681</u>		<u>1,084,139</u>	
CREDITORS: amounts falling due within one year	8		<u>(348,334)</u>		<u>(447,076)</u>
NET CURRENT ASSETS			<u>324,347</u>		<u>637,063</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>958,873</u>		<u>689,001</u>
PROVISIONS FOR LIABILITIES					
Deferred tax	9		(65,310)		-
NET ASSETS			<u>893,563</u>		<u>689,001</u>
CAPITAL AND RESERVES					
Called up share capital	10		1		1
Additional paid in capital	11		95,677		-
Profit and loss account	11		797,885		689,000
SHAREHOLDERS' FUNDS	12		<u>893,563</u>		<u>689,001</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

11/23/15



Access Industries Management LLC
 Director

The notes on pages 7 to 13 form part of these financial statements.

ACCESS INDUSTRIES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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).

1.2 Going concern

The financial statements have been prepared on a going concern basis. The adoption of the going concern basis is dependent on the commitment of the ultimate parent company, Access Industries, Inc., to provide financial support to the Company for at least 12 months from the date of approval of these financial statements, the commitment to which has been evidenced in writing. On this basis the directors of the Company consider it appropriate to draw up the financial statements on a going concern basis. The financial statements do not include any adjustments which would result should the going concern basis not be appropriate.

1.3 Turnover

Turnover comprises operational costs plus a 5% recharge to the parent company, Access Industries, Inc. This is receivable as the costs are incurred. All turnover relates to services provided to North America.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	straight line basis over 10 years
Motor vehicles	-	straight line basis over 4 years
Fixtures & fittings	-	straight line basis over 4 years
Office equipment	-	straight line basis over 3 years

1.5 Investments

Fixed asset investments consist of artwork purchased by the Company which is shown at historic cost less provision for impairment.

1.6 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

ACCESS INDUSTRIES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2015**

1. ACCOUNTING POLICIES (continued)

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.8 Foreign currencies

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

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

2. OPERATING PROFIT

The operating profit is stated after charging:

	2015	2014
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	65,188	34,748
Auditor's remuneration	7,570	7,280
Pension costs	27,531	27,531
	<u> </u>	<u> </u>

During the year, no director received any emoluments (2014 - £NIL).

ACCESS INDUSTRIES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2015

3. STAFF COSTS

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	1,464,208	1,931,589
Social security costs	191,961	252,861
Pension costs	27,531	27,531
	<u>1,683,700</u>	<u>2,211,981</u>

The average monthly number of employees, including the directors, during the year was as follows:

2015 No.	2014 No.
<u>14</u>	<u>13</u>

4. TAXATION

	2015 £	2014 £
Analysis of tax charge in the year		
Current tax		
UK corporation tax charge on profit for the year	-	41,482
Adjustments in respect of prior periods	(22,246)	-
Total current tax	<u>(22,246)</u>	<u>41,482</u>
Deferred tax (see note 9)		
Origination and reversal of timing differences	65,310	-
Tax on profit on ordinary activities	<u>43,064</u>	<u>41,482</u>

ACCESS INDUSTRIES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2015

5. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Motor vehicles £	Fixtures & fittings £	Office equipment £	Total £
Cost					
At 1 March 2014	-	16,000	340,267	212,858	569,125
Additions	505,370	-	127,780	22,499	655,649
Disposals	-	-	(342,767)	-	(342,767)
At 28 February 2015	<u>505,370</u>	<u>16,000</u>	<u>125,280</u>	<u>235,357</u>	<u>882,007</u>
Depreciation					
At 1 March 2014	-	16,000	327,367	189,919	533,286
Charge for the year	22,808	-	24,307	18,073	65,188
On disposals	-	-	(334,894)	-	(334,894)
At 28 February 2015	<u>22,808</u>	<u>16,000</u>	<u>16,780</u>	<u>207,992</u>	<u>263,580</u>
Net book value					
At 28 February 2015	<u>482,562</u>	<u>-</u>	<u>108,500</u>	<u>27,365</u>	<u>618,427</u>
At 28 February 2014	<u>-</u>	<u>-</u>	<u>12,900</u>	<u>22,939</u>	<u>35,839</u>

6. FIXED ASSET INVESTMENTS

	Artwork £
Cost	
At 1 March 2014 and 28 February 2015	<u>16,099</u>
Net book value	
At 28 February 2015	<u>16,099</u>
At 28 February 2014	<u>16,099</u>

ACCESS INDUSTRIES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2015**

7. DEBTORS

	2015	2014
	£	£
Due after more than one year		
Other debtors	-	1,126
Due within one year		
Amounts owed by group undertakings	9,323	730,253
Prepayments & accrued income	293,638	103,682
Other debtors	282,385	31,977
	585,346	867,038
	585,346	867,038

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

	2015	2014
	£	£
Amounts owed to group undertakings	23	-
Corporation tax	-	16,482
Other taxation and social security	41,977	242,485
Other creditors	306,334	188,109
	348,334	447,076
	348,334	447,076

9. DEFERRED TAXATION

	2015	2014
	£	£
At beginning of year	-	-
Charge for year	65,310	-
	65,310	-
At end of year	65,310	-

The provision for deferred taxation is made up as follows:

	2015	2014
	£	£
Accelerated capital allowances	65,310	-
	65,310	-

ACCESS INDUSTRIES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2015**

10. SHARE CAPITAL

	2015 £	2014 £
Allotted, called up and fully paid		
1 Ordinary share of £1	1	1

11. RESERVES

	Additional paid in capital £	Profit and loss account £
At 1 March 2014	-	689,000
Profit for the financial year	-	108,885
Capital contribution	95,677	-
At 28 February 2015	<u>95,677</u>	<u>797,885</u>

Additional paid in capital represents funds invested in the company with no corresponding issue of shares.

12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2015 £	2014 £
Opening shareholders' funds	689,001	555,001
Profit for the financial year	108,885	134,000
Capital contribution	95,677	-
Closing shareholders' funds	<u>893,563</u>	<u>689,001</u>

13. OPERATING LEASE COMMITMENTS

At 28 February 2015 the company had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
Within 1 year	-	48,945
After more than 5 years	380,545	-

ACCESS INDUSTRIES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2015**

14. RELATED PARTY TRANSACTIONS

During the year, £1,121,622 (2014: £nil) was charged to Access Industries, Inc., a corporation organised under the laws of the State of New York, with registration number 4668539 (which was known as "Access Newco, Inc."), which owned Access Industries (UK) Limited for the period from January 2015 to February 2015, in respect of services provided to that company. At 28 February 2015 the balance due from Access Industries, Inc. was £6,451 (2014: £nil).

During the year, £2,060,316 (2014: £3,654,729) was charged to AI Altep Holdings, Inc., a corporation organised under the laws of the State of New York, with registration number 1071189 (which was known as "Access Industries, Inc."), which owned Access Industries (UK) Limited for the period from March 2014 to December 2014, in respect of services provided to that company. At 28 February 2015, the balance due from AI Altep Holdings, Inc., was £nil (2014: £727,381).

As at 28 February 2015, £2,872 was due from Access Media LP (2014: £2,872), a company under common control.

As at 28 February 2015, £5,358 (2014: £nil) was due from Leonard Blavatnik, the indirect beneficial owner of Access Industries, Inc., for costs that had been incurred on his behalf.

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

As at 28 February 2015 Access Industries (UK) Limited was controlled by Access Industries Management LLC, a company incorporated in Delaware. The ultimate parent company was Access Industries, Inc., a corporation organised under the laws of the State of New York. The ultimate controlling party is Leonard Blavatnik, who is the indirect beneficial owner of 100% of Access Industries, Inc.