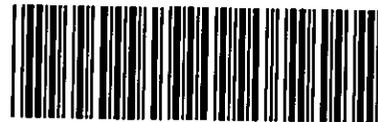


Company Registration Number 05912983

HOLLYWOOD ENTERTAINMENT EXCHANGE PLC
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 MARCH 2007

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HOLLYWOOD ENTERTAINMENT EXCHANGE PLC
FINANCIAL STATEMENTS
PERIOD FROM 22 AUGUST 2006 TO 31 MARCH 2007

	Pages
Contents	
Company information	1
The directors' report	2 to 4
Independent auditor's report to the shareholders	5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the financial statements	9 to 13
The following page does not form part of the financial statements	
Detailed profit and loss account	14

HOLLYWOOD ENTERTAINMENT EXCHANGE PLC

COMPANY INFORMATION

The board of directors	Mr A Fernandez Mr J M Van Den Berselaar Mr L Yerolemou Mr N Ackroyd Mr P Lohr
Company secretary	Mr L Yerolemou
Date of incorporation	22 August 2006
Registered office	2nd Floor Lynton House 7-12 Tavistock Square London WC1H 9BQ
Auditor	Gerald Edelman Chartered Accountants 25 Harley Street London W1G 9BR



HOLLYWOOD ENTERTAINMENT EXCHANGE PLC

THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 22 AUGUST 2006 TO 31 MARCH 2007

The directors present their report and the financial statements of the company for the period from 22 August 2006 to 31 March 2007

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the period was developers of online media business solutions directed towards the International Cinema and TV Film Industry

During the period the company has been active in developing an online media business solution and has been actively looking in finding suitable partners and suppliers to do so

Subsequent to the period end, the company has identified a relevant partner and IT developer of the online business solution, as follows -

a) The company has entered into an investment agreement with Swiss Hawk AG, a swiss company listed on the Frankfurt Stock Exchange. In accordance with the investment agreement, Swiss Hawk AG committed to invest €819,000 by way of a convertible unsecured loan note. The loan note converts into new ordinary shares at a conversion price of €3 Euros per share which in turn equals to 273,000 new ordinary shares. The exercise period is any time during the period 1 May 2007 to 30 April 009

b) The company has agreed to invest in an internet based talent search platform concept, called "Hollywood Entertainment Exchange" ("HEX"). The two vendors were Swiss Hawk AG and Ekno Forvaltning AB, a swedish based company and the agreed consideration was €9 million, in the form of two unsecured convertible loan notes of €4.5 million each. Both unsecured loan notes convert into new ordinary shares at a conversion price of €3 Euros per share which in turn equals to 1,500,000 new ordinary shares per unsecured loan note. The exercise period is any time during the period of 30 May 2008 to 30 May 2010

c) The company has entered into a consultancy agreement worth €850,000 with a swedish company called Adotapart AB. The swedish company has been engaged to develop the HEX concept building a global information trading platform primarily focused on communities allied with the International Cinema and TV Film Industry

On the 16th May 2007 the company changed its name from Hometv Entertainment Group Plc to Hollywood Entertainment Exchange Plc

The principal risks facing the business is the ability to raise and maintain the necessary funding in order to develop the internet based platform

RESULTS AND DIVIDENDS

The loss for the period amounted to £21,767. No dividends have been paid during the year

FINANCIAL INSTRUMENTS

The company's financial instruments comprise investments, debtors, creditors and cash at bank. The directors have reviewed the risks and uncertainties facing the company and it is their objective to maximise financial assets and minimise financial liabilities. The financial risks faced by the company include -

- Fair Value Risk
- Inherent Market Risk
- Foreign Exchange Risk

The directors manage the above mentioned financial risks as follows -

- actively review and approve terms of and parties to significant commercial contracts where payment is not anticipated in advance
- ensuring sufficient resources are available to enable flexibility in the management of its cashflows

HOLLYWOOD ENTERTAINMENT EXCHANGE PLC

THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 22 AUGUST 2006 TO 31 MARCH 2007

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the period together with their beneficial interests, including family holdings, in the shares of the company were as follows

	Ordinary Shares of £0.0025 each	
	At 31 March 2007	At 22 August 2006 or later date of appointment
Mr L Yerolemou	50,000	400
Mr N Ackroyd	-	-

Mr L Yerolemou was appointed as a director on 22 August 2006

Mr N Ackroyd was appointed as a director on 22 August 2006

Mr A Fernandez was appointed as a director on 27 April 2007

Mr J M Van Den Berselaar was appointed as a director on 27 April 2007

Mr P Lohr was appointed as a director on 10 April 2007

Mr N Ackroyd resigned as a director on 10 April 2007

POLICY ON THE PAYMENT OF CREDITORS

The company does not follow a code or standard payment practice. Payment terms are normally agreed with individual suppliers at the time of order placement and are honoured, provided the goods and services are supplied in accordance with the contractual conditions. At the period end the Company's trade creditors were equivalent to Nil days' costs.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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). 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 these financial statements, the directors are required to

select suitable accounting policies and then apply them consistently,

make judgements and estimates that are reasonable and prudent,

state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,

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 proper accounting records that 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 1985. 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.

In so far as the directors are aware

there is no relevant audit information of which the company's auditor is unaware, and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

HOLLYWOOD ENTERTAINMENT EXCHANGE PLC

THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 22 AUGUST 2006 TO 31 MARCH 2007

AUDITOR

Gerald Edelman were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985 a resolution proposing that they be re-appointed will be put to the Annual General Meeting

Registered office
2nd Floor Lynton House
7-12 Tavistock Square
London
WC1H 9BQ

Signed by order of the directors



MR L YEROLEMOU
Company Secretary

Approved by the board on

10 July 2007



HOLLYWOOD ENTERTAINMENT EXCHANGE PLC

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
HOLLYWOOD ENTERTAINMENT EXCHANGE PLC (continued)**

PERIOD FROM 22 AUGUST 2006 TO 31 MARCH 2007

We have audited the financial statements of Hollywood Entertainment Exchange Plc for the period from 22 August 2006 to 31 March 2007 on pages 6 to 13, which have been prepared on the basis of the accounting policies set out on page 9

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 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

The directors' 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 Directors' 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 Directors' 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 directors' remuneration and other transactions is not disclosed.

We read the Directors' 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 directors 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.

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 31 March 2007 and of its loss for the period then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985, and

the information given in the Directors' Report is consistent with the financial statements.

25 Harley Street
London
W1G 9BR

10 July 2007


GERALD EDELMAN
Chartered Accountants



HOLLYWOOD ENTERTAINMENT EXCHANGE PLC
PROFIT AND LOSS ACCOUNT
PERIOD FROM 22 AUGUST 2006 TO 31 MARCH 2007

	Note	Period from 22 Aug 06 to 31 Mar 07 £
TURNOVER		-
Administrative expenses		(8,910)
OPERATING LOSS	2	<u>(8,910)</u>
Amounts written off investments	4	(12,857)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(21,767)</u>
Tax on loss on ordinary activities	6	-
LOSS FOR THE FINANCIAL PERIOD		<u><u>(21,767)</u></u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the period as set out above



The notes on pages 9 to 13 form part of these financial statements.

HOLLYWOOD ENTERTAINMENT EXCHANGE PLC

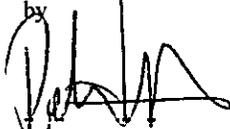
BALANCE SHEET

AS AT 31 MARCH 2007

	Note	£	31 Mar 07 £
FIXED ASSETS			
Investments	5		7,145
CURRENT ASSETS			
Debtors	7	24,316	
Cash at bank		<u>2,355</u>	
		26,671	
CREDITORS: Amounts falling due within one year	8	<u>(5,583)</u>	
NET CURRENT ASSETS			<u>21,088</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>28,233</u>
CAPITAL AND RESERVES			
Called-up equity share capital	10		50,000
Profit and loss account			<u>(21,767)</u>
SHAREHOLDERS' FUNDS	11		<u>28,233</u>

These financial statements were approved by the directors on the 10 July 2007 and are signed on their behalf

by



MR P LOHR

The notes on pages 9 to 13 form part of these financial statements.

HOLLYWOOD ENTERTAINMENT EXCHANGE PLC

CASH FLOW STATEMENT

PERIOD FROM 22 AUGUST 2006 TO 31 MARCH 2007

			Period from 22 Aug 06 to 31 Mar 07
	Note	£	£
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	12		(27,643)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	12		(20,000)
ACQUISITIONS AND DISPOSALS			
Acquisition of shares in group undertakings		(2)	
NET CASH OUTFLOW FROM ACQUISITIONS AND DISPOSALS			(2)
CASH OUTFLOW BEFORE FINANCING			(47,645)
FINANCING	12		50,000
INCREASE IN CASH	12		2,355

The notes on pages 9 to 13 form part of these financial statements.

HOLLYWOOD ENTERTAINMENT EXCHANGE PLC

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 22 AUGUST 2006 TO 31 MARCH 2007

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards

Going concern

The nature of the company's business is such that there can be considerable unpredictable variation in the timing of cash inflows. Reviewing the actual cash flows after the period end, reveal that significant further funds have been raised by the company. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of funds from investors.

Fixed asset investments

Fixed asset investments are stated at cost less provision for diminution in value

Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between treatment of certain items for taxation and accounting purposes. Deferred tax assets are recognised only to the extent that it is more likely than not that there will be taxable profits from which the underlying timing differences can be deducted.

Group exemption

The company has taken advantage of the exemptions provided by Section 229 of the Companies Act 1985 not to prepare group financial statements on the basis that either subsidiary undertakings are not material for the purposes of the company's financial statements giving a true and fair view.

2. OPERATING LOSS

Operating loss is stated after charging

	Period from 22 Aug 06 to 31 Mar 07 £
Auditor's remuneration - as auditor	<u>2,938</u>

3. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to employees including the directors, during the period

4. AMOUNTS WRITTEN OFF INVESTMENTS

	Period from 22 Aug 06 to 31 Mar 07 £
Amount written off investments	<u>12,857</u>



HOLLYWOOD ENTERTAINMENT EXCHANGE PLC

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 22 AUGUST 2006 TO 31 MARCH 2007

5 INVESTMENTS

Investments	Subsidiary undertakings	Listed investments	Total
	£	£	£
COST			
Additions	2	20,000	20,002
At 31 March 2007	<u>2</u>	<u>20,000</u>	<u>20,002</u>
 AMOUNTS WRITTEN OFF			
Written off in period	-	12,857	12,857
At 31 March 2007	<u>-</u>	<u>12,857</u>	<u>12,857</u>
 NET BOOK VALUE			
At 31 March 2007	<u>2</u>	<u>7,143</u>	<u>7,145</u>

SUBSIDIARY UNDERTAKINGS

The company holds 100% of the Ordinary Share Capital of the following companies

Company	Country of incorporation	Principal activity
Subsidiary Undertakings		
Homety Entertainment Europe Limited	England	Dormant
Homety Entertainment UK Limited	England	Dormant

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

	Capital and reserves	Profit for the period
	£	£
Homety Entertainment Europe Limited	1	-
Homety Entertainment UK Limited	1	-

Applications were filed at Companies House on 15 June 2007 to deregister both of the above named companies

LISTED INVESTMENTS

Listed investments comprise investments listed on the Frankfurt Stock Exchange, the market value of which at 31 March 2007 amounted to £59,184. At the date of approving these financial statements, the market value of the listed investments has experienced a significant decline and has been written down to its recoverable amount of £7,143

6 TAXATION

Subject to agreement with HM Revenue and Customs, no provision has been made for UK Corporation Tax due to the tax losses incurred during the period

7 DEBTORS

	31 Mar 07
	£
Other debtors	<u>24,316</u>



HOLLYWOOD ENTERTAINMENT EXCHANGE PLC

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 22 AUGUST 2006 TO 31 MARCH 2007

8. CREDITORS: Amounts falling due within one year

	31 Mar 07
	£
Other creditors	2
Accruals and deferred income	5,581
	<u>5,583</u>

9. RELATED PARTY TRANSACTIONS

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8

10. SHARE CAPITAL

Authorised share capital:

	31 Mar 07
	£
80,000,000 Ordinary shares of £0.0025 each	<u>200,000</u>

Allotted and called up:

	No	£
Ordinary shares of £0.0025 each	<u>20,000,000</u>	<u>50,000</u>

On 22 August 2006 1 ordinary share of £1 was issued

On 5 October 2006 12,499 ordinary shares of £1 were issued

On 6 November 2006 37,500 ordinary shares of £1 were issued

By a resolution dated 7 December 2006, the authorised share capital was increased by £150,000 to £200,000 and then sub-divided from 200,000 ordinary shares of £1 each into 80,000,000 ordinary shares of £0.0025 each

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 Mar 07
	£
Loss for the financial period	(21,767)
New ordinary share capital subscribed	50,000
Net addition to shareholders' funds	<u>28,233</u>
Closing shareholders' funds	<u>28,233</u>



HOLLYWOOD ENTERTAINMENT EXCHANGE PLC

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 22 AUGUST 2006 TO 31 MARCH 2007

12. NOTES TO THE STATEMENT OF CASH FLOWS

RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Period from 22 Aug 06 to 31 Mar 07 £
Operating loss	(8,910)
Increase in debtors	(24,316)
Increase in creditors	5,583
Net cash outflow from operating activities	<u>(27,643)</u>

CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	Period from 22 Aug 06 to 31 Mar 07 £
Acquisition of fixed asset investments	(20,000)
Net cash outflow for capital expenditure and financial investment	<u>(20,000)</u>

FINANCING

	Period from 22 Aug 06 to 31 Mar 07 £
Issue of equity share capital	50,000
Net cash inflow from financing	<u>50,000</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	31 Mar 07 £
Increase in cash in the period	2,355
Movement in net funds in the period	<u>2,355</u>
Net funds at 22 August 2006	-
Net funds at 31 March 2007	<u>2,355</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 22 Aug 2006 £	Cash flows £	At 31 Mar 2007 £
Net cash	-	2,355	2,355
Cash in hand and at bank	<u>-</u>	<u>2,355</u>	<u>2,355</u>
Net funds	<u>-</u>	<u>2,355</u>	<u>2,355</u>

HOLLYWOOD ENTERTAINMENT EXCHANGE PLC

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 22 AUGUST 2006 TO 31 MARCH 2007

13. POST BALANCE SHEET EVENTS

- a) On 30 April 2007, the company has entered into an investment agreement with Swiss Hawk AG, a swiss company listed on the Frankfurt Stock Exchange. In accordance with the investment agreement, Swiss Hawk AG committed to invest €819,000 by way of a convertible unsecured loan note. The loan note converts into new ordinary shares at a conversion price of €3 Euros per share which in turn equals to 273,000 new ordinary shares. The exercise period is any time during the period 1 May 2007 to 30 April 2009.
- b) On 30 May 2007 the company has agreed to invest in an internet based talent search platform concept, called "Hollywood Entertainment Exchange" ("HEX"). The two vendors were Swiss Hawk AG and Ekno Forvaltning AB, a swedish based company and the agreed consideration was €9 million, in the form of two unsecured convertible loan notes of €4.5 million each. Both unsecured loan notes convert into new ordinary shares at a conversion price of €3 Euros per share which in turn equals to 1,500,000 new ordinary shares per unsecured loan note. The exercise period is any time during the period of 30 May 2008 to 30 May 2010.
- c) On 30 April 2007 the company has entered into a consultancy agreement worth €850,000 with a swedish company called Adotapart AB. The swedish company has been engaged to develop the HEX concept building a global information trading platform primarily focused on communities allied with the International Cinema and TV Film Industry.
- d) On 15 June 2007 Swiss Hawk AG took a controlling stake in the company by acquiring 8,000,000 ordinary shares or 40% of the company in a share for share exchange agreement, value of which amounted to €1 million.

