

LAMAS PRODUCTIONS PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 2012



Company Registration Number 7543352 (England and Wales)

ANNUAL REPORT AND FINANCIAL STATEMENTS

CONTENTS

| | |
|---|----|
| THE COMPANY AND ITS ADVISERS | 1 |
| DIRECTORS' REPORT | 2 |
| INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS | 5 |
| PROFIT AND LOSS ACCOUNT | 7 |
| BALANCE SHEET | 8 |
| CASH FLOW STATEMENT | 9 |
| NOTES TO THE CASH FLOW STATEMENT | 10 |
| NOTES TO THE FINANCIAL STATEMENTS | 11 |

LAMAS PRODUCTIONS PLC

THE COMPANY AND ITS ADVISERS

| | |
|--------------------------|--|
| Directors | J P F Bradley D M Reid S J Speight |
| Company Secretary | S J Cruickshank |
| Registered Office | 15 Golden Square London W1F 9JG |
| Company Number | 7543352 (England and Wales) |
| Auditor | Shipleys LLP Chartered Accountants and Statutory Auditor 10 Orange Street Haymarket London WC2H 7DQ |
| Registrar | SLC Registrars Thames House Portsmouth Road Esher KT10 9AD |

DIRECTORS' REPORT
5 APRIL 2012

The directors present the Annual Report and Financial Statements of Lamas Productions plc ("the Company") for the year ended 5 April 2012

Principal activities

The Company was formed to produce and exploit high quality television programmes with ongoing potential for commercial exploitation across all media

In assessing which programmes to produce, the Company endeavours to work with the most successful broadcasters and sales agents, and engage the highest quality co-producers or production services companies and personnel to carry out its production activities. The Company also benefits from its relationship with Ingenious Media Holdings plc and its subsidiaries ("the Ingenious Group") to facilitate the sourcing of suitable television projects, and all aspects of production and exploitation

Review of the year

The Company made a loss after tax of £190,187 for the year ended 5 April 2012 (period ended 5 April 2011: £nil)

The net assets of the Company at 5 April 2012 were £1,792,951 (period ended 5 April 2011: £2)

The directors consider the Company's pre-trading performance during the year to be satisfactory, and will monitor the activities undertaken by the Company. Based on the future projected cash flows, the directors are confident that the Company will commence trading in future years

Dividends

No interim dividends were paid during the year (period ended 5 April 2011: £nil). The directors do not propose to recommend the payment of a final dividend (period ended 5 April 2011: £nil)

Production activities

As at the year end, the Company had raised capital of £2.0 million. Since the year end, the Company has committed to produce two programmes. The Company committed £1.4 million to the production budget and distributors acting on behalf of the Company have pre-sold the rights to the programmes. The Company has engaged distributors to sell the programmes internationally on its behalf and expects to generate revenue in the forthcoming year.

LAMAS PRODUCTIONS PLC

DIRECTORS' REPORT (CONTINUED)

5 APRIL 2012

Future prospects

The directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. The Company is in a net asset position and continues to be well placed to benefit from the future exploitation of the television productions currently in production and accordingly the directors consider the Company's investment since the year end to continue to generate future revenues. As a result, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

Directors

The directors who served throughout the year were as follows:

J P F Bradley
D M Reid
S J Speight

Payment of suppliers

The Company agrees payment terms as part of the commercial arrangements negotiated with suppliers. Payments are made on these terms provided the supplier meets its obligations.

The Company settles amounts due to trade creditors on receipt of purchase invoices and any delay in payment is assessed to be negligible.

Financial risk management objectives and procedures

The key financial risks the Company's activities expose it to are credit risk and cashflow risk.

Credit risk

Credit risk is mitigated by the Company's credit control policies and production greenlighting procedure. In assessing which programmes to produce, the Company is advised by media specialist, Ingenious Media Services Limited. The Company endeavours to work with the most successful co-producers, distributors and broadcasters, and to work with and engage the highest quality personnel to carry out its production activities. The Company continues to monitor the exploitation of programmes in international markets and anticipates further income from those sources.

Cash flow risk

The Company's activities expose it to the financial risks of changes in foreign currency exchange rates. The Company uses foreign exchange forward contracts to hedge these exposures. The Company does not use financial instruments for speculative purposes.

DIRECTORS' REPORT (CONTINUED)
5 APRIL 2012

Statement of directors' responsibilities

The directors are responsible for preparing the Report and Financial Statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial period. 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 the financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable United Kingdom Accounting Standards have been followed, and
- 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.

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.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Auditor

Shipleys LLP have indicated their willingness to remain in office and in accordance with section 489 of the Companies Act 2006, a resolution proposing that they be reappointed will be put to the next Annual General Meeting.

This report was approved and signed by order of the board of directors on 31 08 12 by


S J Crunckshank
Company Secretary
Registered office
15 Golden Square
London, W1F 9JG

Company Registration Number 7543352 (England and Wales)

LAMAS PRODUCTIONS PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAMAS PRODUCTIONS PLC

We have audited the financial statements of Lamas Productions plc for the year ended 5 April 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Notes to the Cash Flow Statement and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 statement of directors' responsibilities, 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 Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAMAS PRODUCTIONS PLC (CONTINUED)

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 5 April 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been properly prepared in accordance with the Companies Act 2006

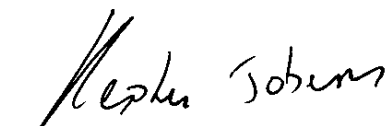
Opinion on other matters prescribed by the Companies Act 2006

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

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



Stephen Joberns (Senior Statutory Auditor)

for and on behalf of Shipleys LLP (Chartered Accountants and Statutory Auditor)
10 Orange Street, Haymarket, London, WC2H 7DQ

Date

3/9/12

LAMAS PRODUCTIONS PLC

PROFIT AND LOSS ACCOUNT YEAR ENDED 5 APRIL 2012

| | Notes | Year ended 5 April 2012 £ | Period from 25 February 2011 to 5 April 2011 £ |
|--|-------|------------------------------------|---|
| Administrative expenses | | <u>(191,848)</u> | - |
| Operating loss | 2 | (191,848) | - |
| Interest receivable and similar income | 3 | <u>2,077</u> | - |
| Loss on ordinary activities before taxation | | (189,771) | - |
| Taxation | 4 | <u>(416)</u> | - |
| Loss for the financial year/period | 9 | (190,187) | - |

All of the Company's activities relate to continuing operations during the current year and prior period

There are no recognised gains and losses other than those shown above and therefore no separate Statement of Total Recognised Gains and Losses has been presented

The notes on pages 11 to 16 form an integral part of the financial statements

LAMAS PRODUCTIONS PLC

BALANCE SHEET AS AT 5 APRIL 2012

| | Notes | 5 April 2012 £ | 5 April 2011 £ |
|---|-------|----------------------|----------------------|
| Current assets | | | |
| Debtors | 6 | 78,724 | 50,002 |
| Cash at bank | | <u>1,719,978</u> | <u>-</u> |
| | | 1,798,702 | 50,002 |
| Creditors: amounts falling due within one year | 7 | <u>(5,751)</u> | <u>(50,000)</u> |
| Net current assets | | <u>1,792,951</u> | <u>2</u> |
| Net assets | | <u>1,792,951</u> | <u>2</u> |
| Capital and reserves | | | |
| Called up equity share capital | 8 | 1,983,138 | 2 |
| Profit and Loss Account | 9 | <u>(190,187)</u> | <u>-</u> |
| Shareholders' funds | 10 | <u>1,792,951</u> | <u>2</u> |

The notes on pages 11 to 16 form an integral part of the financial statements

The financial statements were approved by the board of directors and authorised for issue on 31 08 12, and are signed on their behalf by



S J Speight
Director

Company Registration Number 7543352 (England and Wales)

LAMAS PRODUCTIONS PLC

CASH FLOW STATEMENT YEAR ENDED 5 APRIL 2012

| | Notes | 5 April 2012 £ | 5 April 2011 £ |
|---|----------|----------------------|----------------------|
| Cash outflow from operating activities | A | (211,819) | - |
| Taxation | B | (416) | - |
| Returns on investment and servicing of finance | C | 2,077 | - |
| Net cash outflow before management of liquid resources and financing | | (210,158) | - |
| Financing | D | 1,930,136 | - |
| Increase in cash in the year/period | E | 1,719,978 | - |

The notes on pages 11 to 16 form an integral part of the financial statements

**NOTES TO THE CASH FLOW STATEMENT
YEAR ENDED 5 APRIL 2012**

| | | | |
|--|-------------------------------|-------------------------------|------------------------------|
| A. Reconciliation of operating loss to net cash outflow from operating activities | 5 April 2012 £ | 5 April 2011 £ | |
| Operating loss | (191,848) | - | |
| Increase in debtors | (25,722) | - | |
| Increase in creditors | 5,751 | - | |
| Net cash outflow from operating activities | (211,819) | - | |
| B. Taxation | 5 April 2012 £ | 5 April 2011 £ | |
| Corporation tax expense | (416) | - | |
| C. Returns on investment and servicing of finance | 5 April 2012 £ | 5 April 2011 £ | |
| Interest received | 2,077 | - | |
| D. Financing | 5 April 2012 £ | 5 April 2011 £ | |
| Issue of equity share capital | 1,983,136 | 2 | |
| Issue of non-equity share capital | - | 50,000 | |
| Redemption of non-equity share capital | (50,000) | - | |
| Increase in debtors | (3,000) | (50,002) | |
| Net cash inflow from financing activities | 1,930,136 | - | |
| E. Analysis of changes in net funds | At 6 April 2011 £ | Cash flow £ | At 5 April 2012 £ |
| Cash at bank | - | 1,719,978 | 1,719,978 |
| F. Reconciliation of net cash flow to movement in net funds | 5 April 2012 £ | 5 April 2011 £ | |
| Increase in cash in the year/period | 1,719,978 | - | |
| Net funds at start of the year/on incorporation | - | - | |
| Net funds at end of the year/period | 1,719,978 | - | |

The notes on pages 11 to 16 form an integral part of the financial statements

LAMAS PRODUCTIONS PLC

NOTES TO THE FINANCIAL STATEMENTS

5 APRIL 2012

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards. The significant accounting policies adopted are summarised below. These policies have been consistently applied in the year.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the Balance Sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Financial instruments

The Company's principal financial instruments are its cash at bank and receivables. The main purpose of the cash at bank and receivables are to provide funding for the Company's operations and to ensure the Company can meet its liabilities as they fall due.

Due to the nature of the financial instruments used by the Company, there is no exposure to price risk. Credit risk of receivables is closely monitored.

The Company makes use of money market facilities when appropriate.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
5 APRIL 2012

1. Accounting policies (continued)

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the Balance Sheet date, with the exception of certain balances which are translated into sterling at the rate of exchange in forward and spot rate contracts. These contracts are in place in order to mitigate the risk of exchange rate fluctuations. Exchange differences are taken to the Profit and Loss Account.

LAMAS PRODUCTIONS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 APRIL 2012

2. Operating loss

| | Year ended 5 April 2012 £ | Period from 25 February 2011 to 5 April 2011 £ |
|---|------------------------------------|---|
| The operating loss is stated after charging | | |
| Auditor's remuneration for audit services | 300 | - |

3. Interest receivable and similar income

| | Year ended 5 April 2012 £ | Period from 25 February 2011 to 5 April 2011 £ |
|---------------|------------------------------------|---|
| Bank interest | 2,077 | - |

4. Taxation

| | Year ended 5 April 2012 £ | Period from 25 February 2011 to 5 April 2011 £ |
|---|------------------------------------|---|
| UK corporation tax at 20% for the year ended 5 April 2012 (21% for the period 25 February 2011 to 31 March 2011 and 20% for the period 1 April 2011 to 5 April 2011) based on the adjusted results for the year | 416 | - |
| Current tax charge | 416 | - |

| | Year ended 5 April 2012 £ | Period from 25 February 2011 to 5 April 2011 £ |
|---|------------------------------------|---|
| Factors affecting the tax charge for the year/period | | |
| Loss on ordinary activities before taxation | (189,771) | - |
| Loss on ordinary activities multiplied by the standard rate of corporation tax of 20% for the year ended 5 April 2012 (21% for the period 25 February 2011 to 31 March 2011 and 20% for the period 1 April 2011 to 5 April 2011) based on the adjusted results for the year | (37,954) | - |
| Effects of | | |
| Expenses not deductible for tax purposes | 11,899 | - |
| Other short term timing differences | 26,471 | - |
| Current tax charge | 416 | - |

A potential deferred tax asset of £26,471 (period ended 5 April 2011 £nil) in respect of tax losses carried forward has not been recognised due to uncertainty over the availability of taxable profits in future chargeable accounting periods

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 APRIL 2012

5. Directors and employees

The Company did not have any employees during the year (period ended 5 April 2011 nil) The directors did not receive any remuneration for their services during the year (period ended 5 April 2011 £nil)

6. Debtors

| | 5 April 2012 £ | 5 April 2011 £ |
|---------------|----------------------|----------------------|
| Other debtors | 78,724 | 50,002 |

7. Creditors: amounts falling due within one year

| | 5 April 2012 £ | 5 April 2011 £ |
|-----------------|----------------------|----------------------|
| Corporation tax | 416 | - |
| Other creditors | - | 50,000 |
| Accruals | 5,335 | - |
| | 5,751 | 50,000 |

8. Share capital

| | Allotted, called up and fully paid | | | |
|--|------------------------------------|-----------|--------------|-----|
| | 5 April 2012 | | 5 April 2011 | |
| | £ | No. | £ | No. |
| Ordinary shares of £1 each issued at par | 1,983,138 | 1,983,138 | 2 | 2 |

9. Statement of movements on Profit and Loss Account

| | 5 April 2012 £ | 5 April 2011 £ |
|--|----------------------|----------------------|
| Balance brought forward/on incorporation | - | - |
| Loss for the financial year/period | (190,187) | - |
| Balance carried forward | (190,187) | - |

LAMAS PRODUCTIONS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 APRIL 2012

10. Reconciliation of movements in shareholders' funds

| | 5 April 2012 £ | 5 April 2011 £ |
|--|-------------------------|----------------------|
| (i) Equity shareholders' funds | | |
| Loss for the financial year/period | (190,187) | - |
| Equity share capital issued for cash | <u>1,983,136</u> | <u>2</u> |
| Net movement in equity shareholders' funds | 1,792,949 | 2 |
| Opening shareholders' funds | <u>2</u> | <u>-</u> |
| Closing equity shareholders' funds | <u>1,792,951</u> | <u>2</u> |
| | 5 April 2012 £ | 5 April 2011 £ |
| (ii) Non-equity shareholders' funds | | |
| Non-equity share capital issued at par | - | 50,000 |
| Redemption of non-equity share capital | <u>(50,000)</u> | <u>-</u> |
| Net movement in non-equity shareholders' funds | (50,000) | 50,000 |
| Opening non-equity shareholders' funds | <u>50,000</u> | <u>-</u> |
| Closing non-equity shareholders' funds | <u>-</u> | <u>50,000</u> |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
5 APRIL 2012

11. Related party transactions

Ingenious Media Investments Limited and Ingenious Media Services Limited are wholly-owned subsidiaries of Ingenious Media Limited, a company registered in England and Wales. Ingenious Media Limited is a wholly-owned subsidiary within the Ingenious Group.

During the year, the directors of the Company were also directors of Ingenious Media Investments Limited. D M Reid and S J Speight were also directors of Ingenious Media Services Limited. D M Reid was also a director of Ingenious Media Limited and Ingenious Media Holdings plc. Ingenious Media Investments Limited administers the Company under a distribution and administration agreement. Ingenious Media Services Limited provides media and production services to the Company.

During the year, Ingenious Media Services Limited charged fees to the Company of £129,366 (period ended 5 April 2011: £nil). At the year end the outstanding balance was £3,445 (period ended 5 April 2011: £nil).

During the year, Ingenious Media Investments Limited charged fees to the Company of £62,179 (period ended 5 April 2011: £nil). At the year end the outstanding balance was £1,590 (period ended 5 April 2011: £nil).

Upon the incorporation of the Company, the Company issued 50,000 redeemable preference shares of £1 each to Ingenious Media Investments Limited. On 9 December 2011, these redeemable preference shares were fully paid up and on 13 December 2011, they were redeemed at par by the Company.

12. Events after the Balance Sheet date

Since the period end, the Company has committed to produce two programmes (see Directors' Report).

13. Controlling party

During the period from 23 September 2011 to 5 April 2012 there was no direct or ultimate controlling party.

Prior to 23 September 2011 the Company was controlled by Ingenious Media Holdings plc, which was under the control of P A McKenna.

The consolidated Financial Statements of Ingenious Media Holdings plc can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.