

ISIS PRODUCTIONS LIMITED
DIRECTORS' REPORT
AND
ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2005



ISIS PRODUCTIONS LIMITED
INDEX TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2005

Page

1	Directors' Report
2	Profit and Loss Account
3	Balance Sheet
4 – 7	Notes to the Accounts

ISIS PRODUCTIONS LIMITED

Directors

J. Rugge-Price
N. de Grunwald

Secretary & Registered Office

N. de Grunwald
106 Hammersmith Grove,
London W6 7HB.

DIRECTORS' REPORT

The directors present their report and the accounts for the year ended 31 December 2005.

RESULTS

The results for the year are set out on page two.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The principal activity of the company is television production. The company made a profit during the year and the directors anticipate this to continue in the forthcoming period.

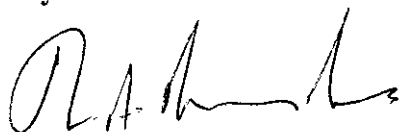
DIVIDEND

The directors do not recommend the payment of a dividend for the year under review.

DIRECTORS' INTERESTS AND THE ULTIMATE PARENT UNDERTAKING

The directors who held office throughout the period were J. Rugge-Price and N. de Grunwald. Isis Productions Holdings Limited owns the entire issued ordinary share capital of Isis Productions Limited. The interest of the directors in the share capital of the parent undertaking are shown in that company's financial statements.

By Order of the Board



J. Rugge-Price
Director

- 8 MAY 2006

ISIS PRODUCTIONS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER, 2005

	Notes	2005 £	2004 £
TURNOVER	1.3	785,062	818,607
COST OF SALES		<u>(648,729)</u>	<u>(739,948)</u>
GROSS PROFIT		136,333	78,659
ADMINISTRATIVE EXPENSES		<u>(123,001)</u>	<u>(117,388)</u>
OPERATING PROFIT/(LOSS)	3	13,332	(38,729)
INTEREST PAYABLE AND SIMILAR CHARGES	4	<u>-</u>	<u>(60)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION		13,332	(38,789)
PROFIT AND LOSS RESERVES BROUGHT FORWARD		<u>(276,606)</u>	<u>(237,817)</u>
PROFIT AND LOSS RESERVES CARRIED FORWARD		<u>£(263,274)</u>	<u>£(276,606)</u>

All amounts relate to continuing activities.

There have been no recognised gains or losses, other than the results for the financial year, and all profits or losses have been accounted for on a historical cost basis.

The notes on pages 4 to 7 form part of these accounts.

ISIS PRODUCTIONS LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER, 2005

	Notes	£	2005 £	2004 £
FIXED ASSETS				
Tangible assets	5		397	819
Investments	6		<u>501</u>	<u>501</u>
			898	1,320
CURRENT ASSETS				
Stock and work in progress	1.6	389,553		54,373
Debtors	7	890,749		771,916
Cash at bank and in hand		<u>184,645</u>		<u>116,535</u>
		1,465,947		942,824
CREDITORS: Amounts falling due within one year	8	<u>(842,499)</u>		<u>(333,130)</u>
NET CURRENT ASSETS			<u>623,448</u>	<u>609,694</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>£624,346</u>	<u>£611,014</u>
CAPITAL AND RESERVES				
Called up share capital	9		88,060	88,060
Share Premium account			799,560	799,560
Profit and loss account			<u>(263,274)</u>	<u>(276,606)</u>
SHAREHOLDERS' FUNDS			<u>£624,346</u>	<u>£611,014</u>

The directors are of the opinion that the company is entitled to the exemption from audit conferred by subsection 1 of section 249A Companies Act 1985 for the year ended 31st December, 2005.

The directors confirm that no member or members have requested an audit pursuant to subsection 2 of section 249B Companies Act 1985.

The directors confirm that they are responsible for:-

- ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985;
- preparing accounts which give a true and fair view of the state of affairs of the company as at 31st December, 2005 and of its results for the year then ended in accordance with the requirements of section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts so far as applicable to the company.

Approved by the Board on - 8 MAY 2006



J. Rugge-Price - Director

The notes on pages 4 to 7 form part of these accounts.

ISIS PRODUCTIONS LIMITED**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31ST DECEMBER, 2005****1. ACCOUNTING POLICIES**

These financial statements have been prepared on the basis of the following accounting policies, which have been applied consistently for the period, and in accordance with applicable accounting standards.

1.1 Basis of Accounting

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards and on a going concern basis, in view of an undertaking from the company's holding company.

The company is exempt by virtue of section 248 of the Companies Act 1985 from the requirement to prepare group accounts. The financial statements present information about the company as an individual undertaking and not about its group.

1.2 Cash Flow Statement

The company is exempt from the requirement of Financial Reporting Standard Number 1 (Revised 1996) to prepare a cash flow statement as it is entitled to the filing exemptions as a small company under sections 246 and 247 of the Companies Act 1985 when filing accounts with the Registrar of Companies.

1.3 Revenue

Revenues are derived from the exploitation of the film and television rights that the company owns, together with development premiums and executive production fees.

1.4 Fixed Assets and Depreciation

Depreciation is provided on a straight-line basis over the following periods to write off the cost of each tangible fixed asset over its estimated useful life:

Fixtures and fittings:	4 years
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1.5 Foreign Currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transactions. Monetary liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date, and the gains or losses on translation are included in the profit and loss account other than where individual projects are carried forward as work in progress on the balance sheet in which case the unrealised movement on exchange is also capitalised.

1.6 Stock and Work in Progress

Stock and work in progress represents costs incurred relating to the development and acquisition of rights in film and television projects, and is valued at the lower of cost and net realisable value.

Development costs are written off in the period of expenditure except when recoverability can be assessed with reasonable certainty.

ISIS PRODUCTIONS LIMITED

NOTES TO THE ACCOUNTS - CONTINUED

FOR THE YEAR ENDED 31ST DECEMBER, 2005

1. ACCOUNTING POLICIES – continued

1.7 Investments

Investments are held at cost less any provision for diminution in value where necessary.

1.8 Deferred Tax

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences, which results in an obligation to pay more tax at a future date, at the current tax rates and laws. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. TURNOVER

All turnover arose from the company's principal activities, solely within the UK.

3. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging:	2005 £	2004 £
Depreciation	422	700
Directors remuneration	90,100	97,267
	=====	=====

In addition to the above, payments amounting to £52,000 (2004: £51,000) were made to De Grunwald Productions Limited, a company controlled by N de Grunwald, a director of Isis Productions Limited, in respect of production services supplied to Isis Productions Limited.

At 31 December 2005 and 2004 neither of the directors were accruing retirement benefits.

4. INTEREST PAYABLE AND SIMILAR CHARGES

Bank interest paid	£ -	£60
	=====	=====

ISIS PRODUCTIONS LIMITED
NOTES TO THE ACCOUNTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER, 2005

5. TANGIBLE FIXED ASSETS

Cost	Fixtures & Fittings £
As at 1st January, 2005	
and at 31st December, 2005	<u>10,292</u>
Depreciation	
At 1st January, 2005	9,473
Charge for the year	<u>422</u>
At 31st December, 2005	<u>9,895</u>
Net Book Value	
At 31st December, 2005	£397 ===
At 31st December, 2004	£819 ===

6. INVESTMENTS

	2005	2004
Shares in participating interests at cost	£501 ===	£501 ===

The following were associated companies at the balance sheet date:

Associated Company	Description and proportion of share capital owned	Country of incorporation	Nature of business
Rocking Horse Productions Limited	Ordinary, 50%	England	Television production.
Classic Albums Series 2 Limited.	Ordinary, 50%	England	Dormant.
Classic Albums Series 3 Limited.	Ordinary, 50%	England	Television production.

ISIS PRODUCTIONS LIMITED

NOTES TO THE ACCOUNTS - CONTINUED

FOR THE YEAR ENDED 31ST DECEMBER, 2005

7. DEBTORS	2005	2004
	£	£
Trade debtors	141,232	12,041
Other debtors	3,371	3,171
Amounts owed by parent undertaking	682,565	686,375
Prepayments and accrued income	<u>63,581</u>	<u>70,329</u>
	<u>£890,749</u>	<u>£771,916</u>
	=====	=====
8. CREDITORS: Amounts falling due within one year	£	£
Trade creditors	61,303	-
Social security costs and other taxes	41,715	20,009
Other creditors	5,000	22,881
Accruals and deferred income	<u>734,481</u>	<u>290,240</u>
	<u>£842,499</u>	<u>£333,130</u>
	=====	=====
9. CALLED UP SHARE CAPITAL	£	£
Authorised		
Equity interests:		
100,000 Ordinary shares of 1p each	1,000	1,000
Non-equity interests:		
87,500 Preference shares of £1 each	<u>87,500</u>	<u>87,500</u>
	<u>£88,500</u>	<u>£88,500</u>
	=====	=====
Allotted, called up and fully paid		
Equity interests:		
56,000 Ordinary shares of 1p each	560	560
Non-equity interests:		
87,500 Preference shares of £1 each	<u>87,500</u>	<u>87,500</u>
	<u>£88,060</u>	<u>£88,060</u>
	=====	=====
10. RELATED PARTY TRANSACTIONS		

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 "Related Party Disclosures" and has not disclosed transactions with group undertakings where voting rights are 90% or more controlled within the group.