

LUMIERE INTERNATIONAL LIMITED

Registered number: 2669066

**Financial Statements for the Year Ended 31 December 2005
together with Directors' Report**



Lumiere International Limited
Report Of The Directors
For The Year Ended 31 December 2005

The director presents his report on the affairs of the company, together with the financial statements and auditors' report for the year ended 31 December 2005.

Principal activity and business review

The principal activity of the company is the licensing of film and television rights. These financial statements have been presented in US dollars, the principal operating currency of the company. During the year, the company was dormant.

Results and dividends

The results of the company are shown on Page 5 of the financial statements. The director does not recommend the payment of a dividend (2004: \$nil).

Director and his interests

Jean Cazès is the sole director served during the year. He had no interest in the shares of the company requiring disclosure under the Companies Act 1985.

Statement Of Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 year. In preparing those 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with 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

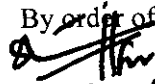
Lumiere International Limited
Report Of The Directors (Continued)
For The Year Ended 31 December 2005

Auditors

The company has elected to dispense with the annual reappointment of auditors in accordance with Section 386 of the Companies Act 1985.

33 Prospect Road
London
NW2 2JU

Date: **25.10.06**

By order of the Board,

Media Law Partners Ltd
Media Law Partners Limited
Company Secretary

Lumiere International Limited

Profit and loss account for the year ended 31 December 2005

	Notes	2005	2004
		\$	\$
Fees receivable		-	-
Administrative expenses		—	—
Operating loss	2	-	-
Taxation		—	—
Loss for the financial year		-	-
Retained loss brought forward		(3,931,562)	(3,931,562)
Retained loss carried forward		<u>(3,931,562)</u>	<u>(3,931,562)</u>

Lumiere International Limited

Balance Sheet as at 31 December 2005

	Notes	\$	2005 \$	\$	2004 \$
Current Assets					
Trade debtors		-		-	
Creditors: Amounts falling due within one year	5	<u>4,439</u>		<u>4,439</u>	
Net current liabilities			<u>(4,439)</u>		<u>(4,439)</u>
Net liabilities			<u>(4,439)</u>		<u>(4,439)</u>
Capital and reserves					
Called up share capital	6		3,927,123		3,927,123
Profit and loss account			<u>(3,931,562)</u>		<u>(3,931,562)</u>
Shareholders' funds	7		<u>(4,439)</u>		<u>(4,439)</u>

For the year ended 31 December 2005 the company was entitled to the exemption under section 249AA(1) of the Companies Act 1985.

Members have not required the company to obtain an audit in accordance with 249(B)(2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

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

Signed on behalf of the board

Jean Cazès

Director

Date: 25.10.06

The notes on page 5 to 7 form part of these financial statements.

Lumiere International Limited

Notes to the financial statements for the Year Ended 31 December 2005

1. Statement of accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding period is shown below.

a) Basis of accounts

The financial statements are prepared on the going concern basis under the historical cost convention and in accordance with applicable accounting standards.

Under section 228 of the Companies Act 1985 the company is exempt from the requirement to prepare group financial statements as it is a wholly owned subsidiary undertaking of a body corporate incorporated in the European Community in whose financial statements its results are consolidated.

b) Foreign currency

Transactions denominated in foreign currencies are recorded in US dollars at actual exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year-end are reported at the rates of exchange prevailing at the balance sheet date. Any gain or loss arising on revaluation is included as an exchange gain or loss in the profit and loss account.

c) Cash flow statement

Under the provisions of Financial Reporting Standard No.1, the company has not prepared a cash flow statement because its parent company Initial Production SA, which is incorporated in France, has prepared consolidated financial statements which include the financial statements of the company for the year end and which contain a cash flow statement.

d) Turnover

This represents the net fees receivable from the principal activity of the company.

2. Operating loss

	<u>2005</u>	<u>2004</u>
	\$	\$
This is after charging:		
Audit fee	—	—

3. Staff cost

The company employed no staff during the year - (2004 -nil).

Lumiere International Limited

Notes to the financial statements for the Year Ended 31 December 2005 (Continued)

4. Taxation

	<u>2005</u>	<u>2004</u>
	\$	\$
UK Corporation tax	=	=

5. Creditors: Amounts falling due within one year

	<u>2005</u>	<u>2004</u>
	\$	\$
Corporation Tax	1,042	1,042
Accruals	3,397	3,397
	<u>4,439</u>	<u>4,439</u>

6. Called-up share capital

	<u>2005</u>	<u>2004</u>
	\$	\$
Authorised 2,181,737 ordinary shares of £1 each	<u>3,927,123</u>	<u>3,927,123</u>
Issued and fully-paid 2,181,737 ordinary shares of £1 each	<u>3,927,123</u>	<u>3,927,123</u>

7. Reconciliation of movements in shareholders' funds

	<u>2005</u>	<u>2004</u>
	\$	\$
Shareholders' funds at 1 January	(4,439)	(4,439)
Loss for the financial year	-	-
Shareholders' funds at 31 December	<u>(4,439)</u>	<u>(4,439)</u>

8. Ultimate parent company and financing

The group in which the results of Lumiere International Limited were consolidated for the year ended 31 December 2005 was that headed by Initial Production SA, registered in France, whose principal place of business is at 6 rue Danton 75006 Paris from which address copies of the financial statements of such company may be obtained.

Lumiere International Limited

Notes to the financial statements for the Year Ended 31 December 2005 (Continued)

9. Transactions with related parties

During the year, fees receivable from Lumiere International SA amounted to \$nil (2004 \$nil).

10. Going concern

Although the company has net liabilities of \$4,439 at the balance sheet date the parent Company Initial Production SA has confirmed its continued support of this company for the foreseeable future. Therefore, the director considers it appropriate to prepare the financial statements on a going concern basis.

Should the company be unable to continue trading, adjustments would have to be made to reduce the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify fixed assets as current assets.