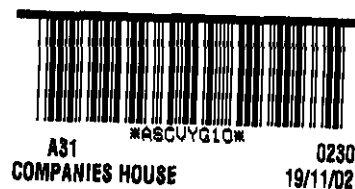


REGISTRAR OF COMPANIES

**Opal
Film
Partner 1
Limited**

Annual Report and Accounts

Period ended 31 March 2002



Buzzacott

Company Registration Number
4176487 (England and Wales)

Directors	P A McKenna D M Reid J L Boyton
Secretary	D M Reid
Registered office	12 New Fetter Lane London EC4A 1AG
Registered number	4176487 (England and Wales)
Auditors	Buzzacott 12 New Fetter Lane London EC4A 1AG
Business address	100 Pall Mall London SW1Y 5NQ

Contents

Reports

Directors' report	1
Independent auditors' report	3

Accounts

Profit and loss account	5
Balance sheet	6
Principal accounting policies	7
Notes to the accounts	8

The following page does not form
part of the statutory accounts:

Detailed profit and loss account	11
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Directors' report 31 March 2002

The directors present their report with the accounts of the company for the period ended 31 March 2002.

Principal activity

The principal activity of the company in the period under review was as a partner in Opal Film Partners, a partnership formed to pursue commercial film opportunities.

The company was incorporated on 9 March 2001.

Review of business

A summary of the results of the period's trading is given on page 5 of the accounts.

The directors consider the results of the first period of trading and the financial position at the period end was as expected.

Directors

The directors in office during the period and their beneficial interests in the issued ordinary share capital were as follows:

	Appointed/Resigned	31 March 2002	9 March 2001
Company Directors Limited	(Appointed and resigned 9 March 2001)	—	—
P A McKenna	(Appointed 9 March 2001)	—	—
D M Reid	(Appointed 9 March 2001)	—	—
J L Boyton	(Appointed 6 August 2001)	—	—

The directors' interest in the share capital of the ultimate holding company are disclosed in the consolidated accounts of that company.

Directors' responsibilities

Company law requires the directors to prepare accounts 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 period. In preparing those accounts, the directors are required to:

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ make judgements and estimates that are reasonable and prudent;
- ♦ follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- ♦ prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Directors' report 31 March 2002

Directors' responsibilities (continued)

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 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.

Auditors

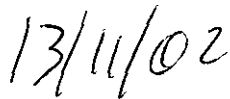
Buzzacott were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be reappointed will be put to the Annual General Meeting.

Signed on behalf of the board of directors:

A handwritten signature in black ink, appearing to be 'D M Reid', consisting of a stylized 'D' followed by a wavy line and a capital 'R' with a small flourish.

D M Reid
Secretary

Approved by the board on:

A handwritten date '13/11/02' in black ink, written in a casual, slightly slanted style.

Independent auditors' report to the shareholders of Opal Film Partner 1 Limited

We have audited the accounts on pages 5 to 10 which have been prepared, under the historical cost convention and in accordance with the accounting policies set out on page 7.

Respective responsibilities of directors and independent auditors

As described on pages 1 and 2, the company's directors are responsible for the preparation of accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the accounts, if 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 transactions with the company 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 opinion

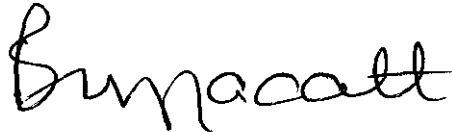
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Independent auditors' report 31 March 2002

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 March 2002 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Buzzacott
Chartered Accountants and Registered Auditors
12 New Fetter Lane
London
EC4A 1AG

15 November 2002

Profit and loss account Period to 31 March 2002

	Notes	2002 £	2002 £
Administrative expenses		<u>(1,500)</u>	<u>(1,500)</u>
Operating loss	1		(1,500)
Share of loss in partnership	5		(2,988)
Interest payable	2		(137,036)
Interest receivable			137,036
Loss on ordinary activities before taxation			<u>(4,488)</u>
Taxation	3		<u>(30,199)</u>
Accumulated loss for the financial period			(34,687)
Retained profit/accumulated loss at 9 March 2001			—
Accumulated loss at 31 March 2002			<u>(34,687)</u>

All of the company's activities derived from continuing operations during the above financial period.

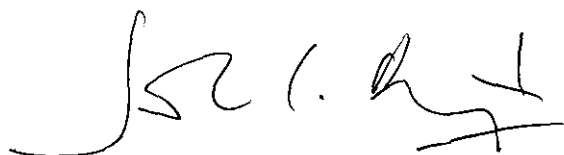
The company has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities before taxation and the accumulated loss for the period stated above, and their historical cost equivalent.

Balance sheet 31 March 2002

	Notes	2002 £	2002 £
Fixed assets			
Investments	5		97,209
Current assets			
Debtors	6	3,102,043	
		<u>3,102,043</u>	
Creditors: amounts falling due within one year	7	<u>(3,126,987)</u>	
Net current liabilities			<u>(24,944)</u>
Total assets less current liabilities			72,265
Creditors: amounts falling due after more than one year	8		(76,752)
Provision for liabilities and charges			
Deferred taxation	9		<u>(30,199)</u>
			<u>(34,686)</u>
Capital and reserves			
Equity interests:			
Called up share capital	10		1
Profit and loss account			<u>(34,687)</u>
Shareholder's funds	11		<u>(34,686)</u>

Signed on behalf of the board of directors by:



J L Boyton

Director

Approved by the board on:

13/11/02

Principal accounting policies 31 March 2002

Basis of accounting

The accounts have been prepared under the historical cost convention, on a going concern basis which the directors consider appropriate given the assurances provided by the holding company, and in accordance with applicable accounting standards.

Cash flow

The accounts do not include a cash flow statement because the company, as a wholly owned subsidiary, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash flow statements'.

Fixed asset investments

Fixed asset investments in partnership represent the company's share of the partnership's net assets at the period end. The company's share of the partnership's operating profit or loss is included in the company's profit and loss account.

Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax provision is also recognised for any future tax liabilities arising as a result of past events. Deferred tax has not been discounted.

Notes to the accounts 31 March 2002

1 Operating loss

	2002 £
This is stated after charging:	
Auditors' remuneration	1,500

2 Interest payable

	2002 £
Bank loan interest	137,036

3 Taxation

The tax charge on the loss on ordinary activities for the period was as follows:

	2002 £	2002 £
Deferred tax:		
Origination and reversal of timing differences	30,199	
Total deferred tax (see note 9)		30,199
Tax on ordinary activities		30,199

4 Directors' remuneration

The only employees of the company were the directors. During the period, the company paid no directors' emoluments. Emoluments paid by the ultimate holding company, Ingenious Media plc are disclosed in that company's accounts.

5 Fixed asset investments

	2002 £
Share of net assets in partnership	97,209

During the period, the company made an investment in Opal Film Partners, an unincorporated trading partnership involving qualifying British Films. The principal place of the partnership's business is 100 Pall Mall, London SW1Y 5NQ.

The company's investment represented 0.6% of the total capital of the partnership. The company's share of the loss during the period was £2,988.

Notes to the accounts 31 March 2002

6 Debtors

	2002 £
Amounts owed by group undertakings	1
Loans to partnership	2,971,575
Prepayments and accrued income	130,467
	<u>3,102,043</u>

7 Creditors: amounts falling due within one year

	2002 £
Bank loan and overdrafts	2,977,019
Other creditors	1
Accruals	149,967
	<u>3,126,987</u>

8 Creditors: amounts falling due after more than one year

	2002 £
Bank loans	<u>76,752</u>

The bank loan is secured by the company's share of lease rental income receivable by Opal Film Partners, and is also secured by the parent company, Ingenious Media plc.

Ingenious Media plc have provided assurances that it will financially support the company to enable it to meet its liabilities as and when they fall due for a period of 12 months from the date of signing these accounts.

9 Deferred taxation

	2002 £
Deferred taxation at 9 March 2001	—
Movement in the period	30,199
Deferred taxation at 31 March 2002	<u>30,199</u>

Deferred tax arises as a result of the investment in a partnership which makes investments in qualifying British Films (see note 5). The deferred tax provision will reverse over the next 15 years.

Notes to the accounts 31 March 2002

10 Called up share capital

	Authorised	Allotted, called up and fully paid
	2002 £	2002 £
Ordinary shares of £1 each	100,000	1

On incorporation, the company issued 1 ordinary share of £1 at par.

11 Reconciliation of movements in shareholder's funds

	2002 £
Equity Funds	
Loss for the financial period after taxation	(34,687)
Share capital issued	1
	(34,686)
Opening shareholder's funds at 9 March 2001	—
Closing shareholder's funds at 31 March 2002	(34,686)

12 Related party transactions

The company has taken advantage of the exemptions conferred by Financial Reporting Standard No 8 from the requirement to make disclosures concerning inter company transactions.

13 Post balance sheet events

After the period end, Opal Film Partners repaid the loan to the company. The company used the funds to repay the bank loan outstanding at the period end amounting to £2,971,575.

14 Ultimate holding company and control

The company is a wholly owned subsidiary of Ingenious Media plc, a company registered in England and Wales.

The controlling shareholder of Ingenious Media plc is P A McKenna, a director of the company.

The consolidated accounts of Ingenious Media plc can be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff CF4 3UZ.

