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Opal Film Partner 1 Limited

Annual Report and Financial Statements

Year Ended 31 March 2003



Company Registration Number
4176487 (England and Wales)

Opal Film Partner 1 Limited

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

Solicitors Harbottle and Lewis
 Hanover House
 14 Hanover Square
 London
 W1S 1HP

Opal Film Partner 1 Limited

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Opal Film Partner 1 Limited

DIRECTORS' REPORT

31st March 2003

The directors present their report with the financial statements of the company for the year ended 31 March 2003

Principal activity

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

Review of business

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

The directors consider the results of the second year of trading and the financial position at the year end to be as expected.

Directors

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

	31 March 2003	1 April 2002
P A McKenna	-	-
D M Reid	-	-
J L Boyton	-	-

The directors interest in the share capital of the ultimate parent company of the group are disclosed in the consolidated financial statements of that company.

Opal Film Partner 1 Limited

DIRECTORS' REPORT

31 MARCH 2003

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 as at the end of the financial year 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;
- 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.

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 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.

Auditors

In the absence of a notice proposing that the appointment be terminated, the auditors, Buzzacott, will be deemed to be re-appointed in accordance with Section 386 of the Companies Act 1985.

Signed on behalf of the board of directors



D M Reid
Secretary

Approved by the board on:

23/10/03

Opal Film Partner 1 Limited

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF OPAL FILM PARTNER 1 LIMITED

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention, and in accordance with the accounting policies set out on page 7.

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 auditors' 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 independent auditors

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

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

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 if, in our opinion, the directors' report is not consistent with the financial statements, 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 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.

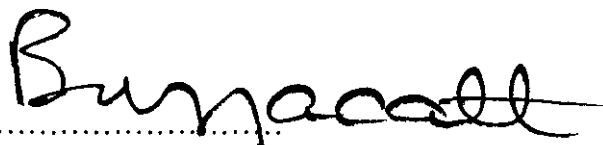
Opal Film Partner 1 Limited

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF OPAL FILM PARTNER 1 LIMITED (Continued)

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 of the state of the company's affairs as at 31st March 2003 and of its profit for the year 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

Date: 23 October 2003

Opal Film Partner 1 Limited

PROFIT AND LOSS ACCOUNT

Year ended 31st March 2003

		2003	9 March 2001 to 31 March 2002
	Notes	£	£
Administrative expenses		1,500	(1,500)
Operating profit/(loss)	1	1,500	(1,500)
Share of profit/(loss) in partnership	5	3,265	(2,988)
Interest payable	2	(4,301)	(137,036)
Interest receivable		9,745	137,036
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation		10,209	(4,488)
Taxation	3	<hr/> 2,117	<hr/> (30,199)
Retained profit/(loss) for the financial period		12,326	(34,687)
Retained loss at 1 April 2002		<hr/> (34,687)	<hr/> -
Retained loss at 31 March 2003		<hr/> (22,361)	<hr/> (34,687)

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

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 profit on ordinary activities before taxation and the retained profit for the period stated above, and their historical cost equivalent.

Opal Film Partner 1 Limited

BALANCE SHEET

31st March 2003

	Notes	2003 £	2002 £
Fixed Assets			
Investments	5	100,474	97,209
Current assets			
Debtors	6	1	3,102,043
Creditors: amounts falling due within one year	7	(24,473)	(3,126,987)
Net current assets		(24,472)	(24,944)
Total assets less current liabilities		76,002	72,265
Creditors: amounts falling due after more than one year	8	(70,280)	(76,752)
Provision for liabilities and charges			
Deferred taxation	9	(28,082)	(30,199)
Net liabilities		(22,360)	(34,686)
Capital and reserves			
Equity interests			
Called up share capital	10	1	1
Profit and loss account		(22,361)	(34,687)
Shareholder's funds	11	(22,360)	(34,686)

Signed on behalf of the board of directors by:

.....
J L Boyton
Director

Approved by the board on:

23/10/03

Opal Film Partner 1 Limited

PRINCIPAL ACCOUNTING POLICIES

31st March 2003

Basis of accounting

The financial statements 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.

The accounts have been prepared on a going concern basis which the directors consider appropriate given the undertaking provided by the parent company, Ingenious Media plc, to continue to provide financial support to the company to enable it to continue trading and to meet its financial obligations as they fall due until at least one year from the date of signing.

Cash Flow

The financial statements 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 year 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 on timing differences which 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 the accounts.

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.

Opal Film Partner 1 Limited

NOTES TO THE ACCOUNTS

31st March 2003

1 Operating profit/(loss)	2003	2002
	£	£
This is stated after charging:		
Auditors' remuneration	<u>-</u>	<u>1,500</u>
2 Interest payable	2003	2002
	£	£
Bank loan interest	<u>4,301</u>	<u>137,036</u>

3 Taxation

The tax charge/(credit) on the profit/(loss) on ordinary activities for the year was as follows:

	2003	2002
	£	£
Current tax:		
UK Corporation tax at 30% (2002 - 30%)	-	-
Adjustments in respect of prior years	<u>-</u>	<u>-</u>
Total current tax	-	-
Origination and reversal of timing differences	<u>(2,117)</u>	<u>30,199</u>
Tax on profit/(loss) on ordinary activities	<u>(2,117)</u>	<u>30,199</u>
Factors effecting tax charge/(credit) for the year:		
Profit/(loss) on ordinary activities before taxation	<u>10,209</u>	<u>(4,488)</u>
Profit on ordinary activities for the year multiplied by the standard rate of corporation tax in the UK of 30%	3,063	(1,346)
Effects of:		
Expenses not deductible for tax purposes	246	16
Marginal relief	(755)	-
Group relief surrendered without payment	-	29,143
Other short term timing differences	<u>(2,554)</u>	<u>(27,813)</u>
Current tax charge	<u>-</u>	<u>-</u>

Opal Film Partner 1 Limited

NOTES TO THE ACCOUNTS

31st March 2003

4 Directors' remuneration

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

5 Fixed asset investments

	2003	2002
	£	£
Share of net assets in partnership	<u>100,474</u>	<u>97,209</u>

The investments represent interest in Opal Film Partners, an unincorporated trading partnership investing in 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 profit during the financial period was £3,265 (2002 - loss of £2,988).

6 Debtors

	2003	2002
	£	£
Amounts owed by group undertakings	1	1
Loans to partnership	-	2,971,575
Prepayments and accrued income	-	130,467
	<u>1</u>	<u>3,102,043</u>

Opal Film Partner 1 Limited

NOTES TO THE ACCOUNTS

31st March 2003

7 Creditors: amounts falling due within one year

	2003	2002
	£	£
Amounts owed to group undertakings	18,001	1
Accruals	-	149,967
Bank loan and overdrafts	6,472	2,977,019
	<u>24,473</u>	<u>3,126,987</u>

8 Creditors: amounts falling due after more than one year

	2003	2002
	£	£
Bank Loans	<u>70,280</u>	<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 guaranteed 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 the financial statements.

9 Deferred Taxation

	2003	2002
	£	£
Deferred taxation at 1 April 2002	30,199	-
Movement in the period	<u>(2,117)</u>	<u>30,199</u>
Deferred taxation at 31 March 2003	<u>28,082</u>	<u>30,199</u>

The deferred tax provision will reverse over the next 15 years.

Opal Film Partner 1 Limited

NOTES TO THE ACCOUNTS 31st March 2003

10 Called up share capital

	2003 £	2002 £
<u>Authorised</u>		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
<u>Allotted, called up and fully paid</u>		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

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

11 Reconciliation of movements in shareholder's funds

	2003 £	2002 £
Equity funds		
Profit/(loss) for the financial period after taxation	12,326	(34,687)
Share capital issued	<u>-</u>	<u>1</u>
	12,326	(34,686)
Opening shareholder's funds	<u>(34,686)</u>	<u>-</u>
Closing shareholder's funds	<u>(22,360)</u>	<u>(34,686)</u>

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 Ultimate holding company and control

During the two years ended 31 March 2003, the company was a wholly owned subsidiary of Ingenious Media plc, a company registered in England and Wales.

The consolidated financial statements of Ingenious Media plc can be obtained from Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.

During the two years ended 31 March 2003, the controlling shareholder of Ingenious Media plc was P A McKenna.