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Company Registration No. 5354574 (England and Wales)

**CREATE MEDIA VENTURES LIMITED**  
**(FORMERLY CREATE PRODUCTIONS LIMITED)**  
**DIRECTORS' REPORT AND UNAUDITED**  
**ACCOUNTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2005**



# CREATE MEDIA VENTURES LIMITED

(FORMERLY CREATE PRODUCTIONS LIMITED)

## COMPANY INFORMATION

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**Directors**

V Chapman  
P Cook  
J Holder  
D Kerney  
C Millward

**Secretary**

J Holder

**Company number**

5354574

**Registered office**

Acre House  
11-15 William Road  
London  
NW1 3ER

**Accountants**

H W Fisher & Company  
Acre House, 11-15 William Road  
London  
NW1 3ER

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# CREATE MEDIA VENTURES LIMITED

(FORMERLY CREATE PRODUCTIONS LIMITED)

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# CREATE MEDIA VENTURES LIMITED

(FORMERLY CREATE PRODUCTIONS LIMITED)

## DIRECTORS' REPORT

*FOR THE PERIOD ENDED 31 DECEMBER 2005*

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

### Principal activities

The principal activity of the company is the development, production and ownership of intellectual property for television, DVD, web and mobile platforms.

The company was incorporated and commenced trading on 7 February 2005 as Create Productions Limited. It changed its name to Create Media Ventures Limited on 31 March 2005.

### Review of business

The directors are pleased with the results for the period. The company has successfully completed production of Series 5 of its intellectual property Little Robots. The business looks forward to increasing its profitability with the roll-out in the U.S.A of Little Robots. The Directors have recently sought professional guidance on the potential valuation of the Little Robots intellectual property and, assuming that the forecasts upon which the valuation is based are attainable, a value in excess of £3 million is considered appropriate. The income stream information contained in the forecasts was provided by BBC Worldwide, Joester Loria Group, Twentieth Century Fox and the Company.

### Results and dividends

The loss for the period after taxation amounted to £324,463.

### Director and their interests

The director at 31 December 2005 and her beneficial interest in the shares of the company were:

	Ordinary of £ 1 each	
	31 December 2005	7 February 2005
V Chapman	1	1

Vanessa Chapman was appointed as a director on 7 February 2005.

In addition Paul Cook, Jonathan Holder and David Kerney were appointed as directors on 5 April 2006 and Carol Millward was appointed as director on 15 August 2006.

On behalf of the Board



D Kerney

Director

Dated: 21/01/06

# CREATE MEDIA VENTURES LIMITED

## (FORMERLY CREATE PRODUCTIONS LIMITED)

### CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE UNAUDITED ACCOUNTS

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In accordance with the engagement letter dated 23 August 2005, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the accounts of Create Media Ventures Limited

(formerly Create Productions Limited) for the period ended 31 December 2005, set out on pages 3 to 8 from the accounting records and information and explanations you have given to us.

This report is made to the company's board of directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the accounts that we have been engaged to compile, report to the company's board of directors that we have done so, and state those matters that we have agreed to state to them in this 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 board of directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of accounts.

On page 4 you have acknowledged your duty to ensure that the company has kept proper accounting records and to prepare accounts that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the accounts. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the accounts.

*H W Fisher & Company*

H W Fisher & Company

Chartered Accountants  
Acre House, 11-15 William Road  
London  
NW1 3ER

Dated: 23/10/06

# CREATE MEDIA VENTURES LIMITED

## (FORMERLY CREATE PRODUCTIONS LIMITED)

### PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 DECEMBER 2005

	Notes	Period ended 31 December 2005 £
Turnover	2	9,100
Cost of sales		(8,873)
Gross profit		227
Administrative expenses		(325,285)
Operating loss		(325,058)
Other income	4	595
Loss on ordinary activities before taxation		(324,463)
Tax on loss on ordinary activities	5	-
Loss on ordinary activities after taxation		(324,463)
Accumulated loss brought forward		-
Accumulated loss carried forward		(324,463)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

# CREATE MEDIA VENTURES LIMITED

(FORMERLY CREATE PRODUCTIONS LIMITED)

## BALANCE SHEET

AS AT 31 DECEMBER 2005

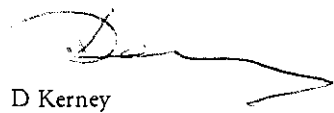
	Notes	£	2005 £
<b>Fixed assets</b>			
Investments	6		1
<b>Current assets</b>			
Debtors	7	47,533	
Cash at bank and in hand		1,131	
		<u>48,664</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(373,127)</u>	
<b>Net current liabilities</b>			<u>(324,463)</u>
<b>Total assets less current liabilities</b>			<u>(324,462)</u>
<b>Capital and reserves</b>			
Called up share capital	9		1
Profit and loss account			<u>(324,463)</u>
<b>Shareholders' funds - all equity interests</b>	10		<u>(324,462)</u>

The company is entitled to the exemption from the audit requirement contained in section 249A(1) of the Companies Act 1985, for the period ended 31 December 2005. No member of the company has deposited a notice, pursuant to section 249B(2), requiring an audit of these accounts.

The directors acknowledge their responsibilities for:

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

The accounts were approved by the Board on 20/12/05

  
D Kerney  
Director

# CREATE MEDIA VENTURES LIMITED

## (FORMERLY CREATE PRODUCTIONS LIMITED)

### NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 31 DECEMBER 2005

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#### 1 Accounting policies

##### 1.1 Basis of preparation

The accounts have been prepared under the historical cost convention and on a going concern basis the validity of which is dependent upon the support of the company's other creditors.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

##### 1.2 Turnover

Turnover represents the invoiced value of goods sold and services provided net of VAT.

##### 1.3 Investments

Fixed asset investments are stated at cost less any provision for permanent diminution in value.

##### 1.4 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 is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the assets. *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.

##### 1.5 Foreign currency translation

*Transactions denominated in foreign currencies are recorded 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 rates of exchange ruling at the balance sheet date. All differences are taken to profit and loss account.

#### 2 Turnover

*The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom.*

#### 3 Employees

##### Number of employees

There were no employees during the period.

#### 4 Other income

2005

£

Interest receivable and similar income

595



# CREATE MEDIA VENTURES LIMITED

## (FORMERLY CREATE PRODUCTIONS LIMITED)

### NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 31 DECEMBER 2005

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5 Tax on loss on ordinary activities

Factors affecting the tax charge for the period

Loss on ordinary activities before taxation	(324,463)
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Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00%	(61,648)
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Effects of:

Expenses not deductible for tax purposes	1,774
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Group relief surrendered	8,309
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Other tax adjustments	51,565
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Current tax charge

-
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The company has estimated losses of £271,393 available for carry forward against future trading profits.

# CREATE MEDIA VENTURES LIMITED

## (FORMERLY CREATE PRODUCTIONS LIMITED)

### NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 31 DECEMBER 2005

#### 6 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 7 February 2005	-
Additions	1
	<hr/>
At 31 December 2005	1
	<hr/>

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
<b>Subsidiary undertakings</b>			
Create TV & Media Limited	United Kingdom	Ordinary £1 Shares	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves £	Profit for the year £
Create TV & Media Limited	43,732	43,731
	<hr/>	<hr/>

The company began trading on 14 June 2005.

#### 7 Debtors

	2005 £
Trade debtors	4,700
Amounts owed by group undertakings	37,433
Other debtors	5,400
	<hr/>
	47,533
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# CREATE MEDIA VENTURES LIMITED

## (FORMERLY CREATE PRODUCTIONS LIMITED)

### NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 31 DECEMBER 2005

8	Creditors: amounts falling due within one year	2005 £
	Trade creditors	69,461
	Taxes and social security costs	16,029
	Directors current accounts	42,637
	Other creditors	205,000
	Accruals and deferred income	40,000
		<u>373,127</u>
9	Share capital	2005 £
	Authorised	
	100 Ordinary of £1 each	<u>100</u>
	Allotted, called up and fully paid	
	1 Ordinary of £1 each	<u>1</u>
10	Reconciliation of movements in shareholders' funds	2005 £
	Loss for the financial period	(324,463)
	Opening shareholders' funds	-
	New share capital subscribed	<u>1</u>
	Closing shareholders' funds	<u>(324,462)</u>

#### 11 Related party transactions

At the year end the company was owed £37,433 from Create TV & Film Limited, which is a wholly owned subsidiary.

#### 12 Controlling parties

The ultimate controlling party is V. Chapman.