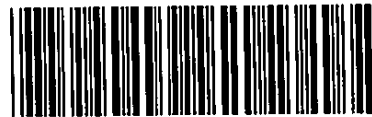


Registration number 5957372

**AYNGARAN INTERNATIONAL (UK) LTD  
REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31ST MARCH 2008**

**AMENDING**

TUESDAY



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**AYNGARAN INTERNATIONAL (UK) LTD  
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FOR THE PERIOD ENDED 31ST MARCH 2008**

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**AYNGARAN INTERNATIONAL (UK) LTD**

**Company Information**

**Directors**

K Karunamoorthy  
R Manickavasagar  
A Heffernan

**Secretary**

A Mavinkurve

**Registered Office**

Milner House  
13 Manchester Square  
London  
W1U 3PP

**Registration Number**

5957372

**Auditors**

Chris Seeromben & Co  
409 Whitehorse Road,  
Thornton Heath,  
London,  
CR7 8SD

**AYNGARAN INTERNATIONAL (UK) LTD**  
**DIRECTORS' REPORT**

The directors present their report and the financial statements of the company for the six months period ended 31st March 2008

**PRINCIPAL ACTIVITY**

The principal activity of the company during the period under review was production of motion pictures and video and worldwide sale and distribution of the screening rights

**DIRECTORS**

The Directors who served during the period are as stated below

K Karunamoorthy  
R Manickavasagar  
A Heffernan  
J Deshpande (resigned 31st December 2010)

None of the directors has any beneficial interest in the share capital of the company

**REVIEW OF BUSINESS**

The company started trading on 1st October 2007 The directors consider the profit achieved on ordinary activities to be satisfactory The directors consider the future of the company to be secure

**PRINCIPAL RISKS AND UNCERTAINTIES**

The directors have considered all principal risks and uncertainties and do not envisage any problem in the future

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations Company law requires the directors to prepare financial statements for each financial year Under the law the directors have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

In so far as the directors are aware

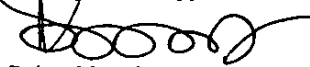
- there is no relevant information needed by the company's auditors in connection with preparing their report of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

**AUDITORS**

The auditors, Chris Seeromben & Co , will be proposed for re-appointment at the forthcoming Annual General Meeting

**BOARD APPROVAL**

This report was approved by the Board on 21 July 2011 and signed on its behalf by

  
Rohan Manickavasagar  
Director

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AYNGARAN INTERNATIONAL (UK) LTD**

We have audited the financial statements of Ayngaran International (UK) Ltd for the period ended 31st March 2008 set out on pages 4 to 8 These financial statements have been prepared in accordance with the accounting policies set out therein

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 auditor's 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 this report, or for the opinions we have formed

### **Respective responsibilities of director and auditor**

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

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 to you if, in our opinion, the Report of the Directors 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 other transactions are 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 audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 included an assessment of the significant estimates and judgments 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

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, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the affairs of the company as at 31st March 2008 and of the profit of the company for the period then ended and

- have been properly prepared in accordance with the Companies Act 1985, and the information given in the directors' report is consistent with the financial statements



Chris Seeromben & Co  
Chartered Certified Accountants  
And Registered Auditor

409 Whitehorse Road,  
Thornton Heath,  
CR7 8SD

21/07/2011

**AYNGARAN INTERNATIONAL ( UK) LTD**  
**PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2008.**

		<b>2008</b>	<b>2007</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
Turnover		1,409,599	-
Cost of sales		<u>(1,112,044)</u>	<u>-</u>
Gross profit		297,555	-
Distribution costs		(33,997)	-
Administrative expenses		<u>(204,280)</u>	<u>-</u>
Profit on ordinary activities before taxation	2	59,278	-
Taxation	3	(11,855)	-
Profit on ordinary activities after taxation		<u>47,423</u>	<u>-</u>

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

The notes on pages 6 to 8 form part of these financial statements

**AYNGARAN INTERNATIONAL (UK) LTD**  
**BALANCE SHEET AS AT 31ST MARCH 2008**

	Notes	2008	2007
		£	£
<b>FIXED ASSETS</b>			
Intangible Fixed Assets	4	368,815	-
Tangible Fixed Assets	5	5,525	-
		<u>374,340</u>	<u>-</u>
<b>CURRENT ASSETS</b>			
Stocks		156,997	-
Debtors	6	857,147	-
Cash at bank and in hand		624,665	1
		<u>1,638,809</u>	<u>1</u>
<b>CREDITORS</b> Amounts falling due within one year	7	<u>(1,965,725)</u>	<u>-</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		(326,916)	1
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>47,424</u>	<u>1</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	1	1
Profit and loss account	9	47423	-
<b>Shareholders Funds</b>	10	<u>47424</u>	<u>1</u>

These financial statements were approved by the Board of Directors on *21 July*, 2011 and were signed on its behalf by



Rohan Manickavasagar  
Director

The notes on pages 6 to 8 form part of these financial statements

## **AYNGARAN INTERNATIONAL (UK) LTD**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2008**

#### **1 BASIS OF PREPARATION**

The financial statements are prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

The financial statements present information about the company as an individual undertaking. Being an indirect subsidiary, the accounts are consolidated in Eros International PLC, the ultimate parent company.

#### **Turnover and revenue recognition**

Turnover represents the total invoice value, excluding value added tax, of sales made during the year and derives from the provision of goods falling within the company's ordinary activities. The revenue is recognised for the services as the services are performed.

#### **Cash flow Statement**

The directors have taken the advantage of exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statement on the grounds that the company is a subsidiary company and ultimate parent publishes a consolidated cash flow statement.

#### **Film and Audio/Video Licensing Rights (Contents)**

Investments in films and associated rights, including acquired rights and distribution advances in respect of completed films, are stated at cost less amortisation less provision for impairment. A charge is made to write down the cost of completed rights over the estimated useful lives except where the asset is not yet available for exploitation.

#### **Amortisation Film and Audio/Video Licensing Rights**

The company's policy in amortising intangible assets is as follows:

The amortisation charge is recognised in the income statement within cost of sales.

Film Licensing rights are divided into 3 groups-Theatrical, DVD and TV & Satellite in the ratio of 50:30:20. Theatrical rights are amortised 100% in the first year while DVD and TV rights are amortised at the rate of 50% in the first year, 30% in the second year and 20% in the third year. Audio and Licensing Rights are amortised over 10 years. Blue Ray Technology: 25% straight line.

#### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is calculated to write down cost less estimated residual value of all tangible fixed assets. The rates applicable are:

Motor Vehicles: 20% straight line

Equipment: 20% straight line

#### **Stocks**

Stocks which comprise videos and DVDs are valued at the lower of cost and net realisable value of each of item or group of items, after making due allowance for obsolete and slow moving items.

#### **Foreign currencies**

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Any exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded are recognised in profit or loss in the period in which they arise. Exchange differences on non-monetary items are recognised in the statement of changes in equity to the extent that they relate to a gain or loss on that non-monetary item, otherwise such gains and losses are recognised in the income statement.

#### **Deferred taxation**

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred taxation balances are not discounted.



**AYNGARAN INTERNATIONAL (UK) LTD**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2008**

**2 OPERATING PROFIT**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging		
Directors' emoluments	61,133	-
Amortisation of intangible fixed assets	968,584	-
Depreciation of tangible fixed assets	1,381	-
Auditors' remuneration	3,500	-

**3 TAXATION**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
UK Corporation Tax	11,855	-

**4 INTANGIBLE FIXED ASSETS**

	<b>Audio Rights</b>	<b>Film Rights</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1st October 2007	-	-	-
Additions	53,023	1,284,376	1,337,399
At 31st March 2008	53,023	1,284,376	1,337,399
<b>Depreciation</b>			
At 1st October 2007	-	-	-
Charge for the period	5,302	963,282	968,584
At 31st March 2008	5,302	963,282	968,584
<b>Net Book Value,</b>			
At 31st March 2008	47,721	321,094	368,815
At 30th September 2007	-	-	-

**5 TANGIBLE FIXED ASSETS**

	<b>Motor Vehicles</b>	<b>Equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1st October 2007	-	-	-
Additions	2,500	4,406	6,906
At 31st March 2008	2,500	4,406	6,906
<b>Depreciation</b>			
At 1st October 2007	-	-	-
Charge for the period	500	881	1,381
At 31st March 2008	500	881	1,381
<b>Net Book Value,</b>			
At 31st March 2008	2,000	3,525	5,525
At 30th September 2007	-	-	-

**AYNGARAN INTERNATIONAL (UK) LTD**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2008**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
<b>6 DEBTORS</b>		
Trade debtors	651,757	-
Other debtors	80,108	-
Prepayments and accrued income	125,282	-
	<u>857,147</u>	<u>-</u>
<b>7 CREDITORS: Amounts falling due within one year</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Trade creditors	320,926	-
Amounts owed to group undertakings	1,439,683	-
Social security and other taxes	42,809	-
Directors' accounts	137,833	-
Accruals	24,475	-
	<u>1,965,725</u>	<u>-</u>
<b>8 CALLED UP SHARE CAPITAL</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
1000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Allotted issued and fully paid</b>		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>
<b>9 RESERVES</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
At 1st October 2007	-	-
Profit for the period	47,423	-
At 31st March 2008	<u>47,423</u>	<u>-</u>
<b>10 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
At 1st October 2007	1	1
Profit for the period	47,423	-
At 31st March 2008	<u>47,424</u>	<u>1</u>

**11 RELATED PARTY DISCLOSURES**

The company has claimed exemption under FRS 8 from the requirement to disclose transactions between group companies

**12 ULTIMATE PARENT UNDERTAKING**

Ayngaran International Ltd (registered in the Isle of Man) is the holding company of Ayngaran International (UK) Ltd and the ultimate holding company is Eros International PLC (registered in the Isle of Man)