

Registration number 5957372

**AYNGARAN INTERNATIONAL (UK) LTD
REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2009**

AMENDING

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**AYNGARAN INTERNATIONAL (UK) LTD
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FOR THE YEAR ENDED 31ST MARCH 2009**

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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 year ended 31st March 2009

PRINCIPAL ACTIVITY

The principal activity of the company during the year 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 year 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 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 year ended 31st March 2009 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

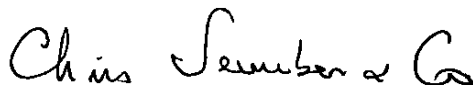
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 2009 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 YEAR ENDED 31ST MARCH 2009.

		2009	2008
	Notes	£	£
Turnover		5,277,590	1,409,599
Cost of sales		<u>(4,298,714)</u>	<u>(1,112,044)</u>
Gross profit		978,876	297,555
Distribution costs		(74,829)	(33,997)
Administrative expenses		<u>(870,515)</u>	<u>(204,280)</u>
Profit on ordinary activities before taxation	2	33,532	59,278
Taxation	3	<u>(3,950)</u>	<u>(11,855)</u>
Profit on ordinary activities after taxation		<u><u>29,582</u></u>	<u><u>47,423</u></u>

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

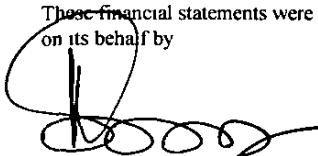
The company has no recognised gains and losses other than the losses passing through the profit and loss account

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

AYNGARAN INTERNATIONAL (UK) LTD
BALANCE SHEET AS AT 31ST MARCH 2009

	Notes	2009	2008
		£	£
FIXED ASSETS			
Intangible Fixed Assets	4	1,079,194	368,815
Tangible Fixed Assets	5	<u>65,057</u>	<u>5,525</u>
		<u>1,144,251</u>	<u>374,340</u>
CURRENT ASSETS			
Stocks		205,733	156,997
Debtors	6	4,014,569	857,147
Cash at Bank and in hand		<u>89,933</u>	<u>624,665</u>
		<u>4,310,235</u>	<u>1,638,809</u>
CREDITORS Amounts falling due within one year	7	<u>(5,377,480)</u>	<u>(1,965,725)</u>
NET CURRENT LIABILITIES		<u>(1,067,245)</u>	<u>(326,916)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>77,006</u>	<u>47,424</u>
CAPITAL AND RESERVES			
Called up share capital	8	1	1
Profit and loss account	9	<u>77,005</u>	<u>47,423</u>
Shareholders Funds	10	<u>77,006</u>	<u>47,424</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 YEAR ENDED 31ST MARCH 2009

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 YEAR ENDED 31ST MARCH 2009

2 OPERATING PROFIT

	2009	2008
	£	£
Operating profit is stated after charging		
Directors' emoluments	124,944	61133
Amortisation of intangible fixed assets	2,542,963	968584
Depreciation of tangible fixed assets	16,610	1381
Auditors' remuneration	4,500	3500
Net foreign exchange loss	224,412	-

3 TAXATION

	2009	2008
	£	£
UK Corporation Tax	3,950	11,855

4 INTANGIBLE FIXED ASSETS

	Audio Rights	Film Rights	Bluray	Total
	£	£	£	£
Cost				
Balance 1st April 2008	53,023	1,284,376	-	1,337,399
Additions	61,695	3,100,147	91,500	3,253,342
At 31st March 2009	114,718	4,384,523	91,500	4,590,741
Depreciation				
Balance 1st April 2008	5,302	963,282	-	968,584
Charge for the year	11,472	2,517,766	13,725	2,542,963
At 31st March 2009	16,774	3,481,048	13,725	3,511,547
Net Book Value;				
At 31st March 2009	97,944	903,475	77,775	1,079,194
At 31st March 2008	47,721	321,094	-	368,815

5 TANGIBLE FIXED ASSETS

	Motor Vehicles	Equipment	Plant &	Total
	£	Fixtures & fittings	Machinery	£
Cost		£	£	
At 1st April 2008	2,500	4,406	-	6,906
Additions	-	6,402	69,740	76,142
At 31st March 2009	2,500	10,808	69,740	83,048
Depreciation				
At 1st April 2008	500	881	-	1,381
Charge for the year	500	2,162	13,948	16,610
At 31st March 2009	1,000	3,043	13,948	17,991
Net Book Value				
At 31st March 2009	1,500	7,765	55,792	65,057
At 31st March 2008	2,000	3,525	-	5,525

AYNGARAN INTERNATIONAL (UK) LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 200

	2009	2008
	£	£
6 DEBTORS		
Trade debtors	1,735,897	651,757
Advances to group undertakings	2,251,517	-
Other debtors	45	80,108
Prepayments and accrued income	27,110	125,282
	<u>4,014,569</u>	<u>857,147</u>

	2009	2008
	£	£
7 CREDITORS: Amounts falling due within one year		
Trade creditors	182,845	320,925
Amounts owed to group undertakings	4,951,031	1,439,683
Social security and other taxes	81,030	42,809
Directors' accounts	135,802	137,833
Accruals	26,772	24,475
	<u>5,377,480</u>	<u>1,965,725</u>

	2009	2008
	£	£
8 CALLED UP SHARE CAPITAL		
Authorised		
1000 ordinary shares of £1 each	<u>1000</u>	<u>1000</u>
Allotted issued and fully paid		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

	2009	2008
	£	£
9 RESERVES		
At 1st April 2008	47,423	-
Profit for the year	29,582	47,423
At 31st March 2009	<u>77,005</u>	<u>47,423</u>

	2009	2008
	£	£
10 RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS		
Profit for the year	29,582	47,423
Opening shareholders' funds	47,424	1
Closing shareholders' funds	<u>77,006</u>	<u>47,424</u>

11 RELATED PARTY DISCLOSURES

The company has claimed exemption under FRS 8 not to disclose transactions between members of the group

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)