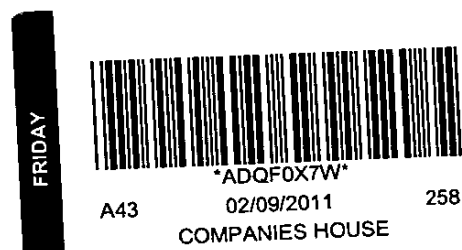


BLYTH FILMS LLP

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 2011



Limited Liability Partnership Number OC313273

BLYTH FILMS LLP

ANNUAL REPORT AND FINANCIAL STATEMENTS 2011

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BLYTH FILMS LLP

MEMBERS' REPORT YEAR ENDED 5 APRIL 2011

The members present the annual report on the affairs of Blyth Films LLP ("the Partnership"), together with the financial statements and auditors' report, for the year ended 5 April 2011

The report has been prepared taking advantage of the small companies exemption in accordance with Section 415A of the Companies Act 2006, as applied to limited liability partnerships

Principal activities

The Partnership was formed in order to develop commercial film opportunities through a combination of sale and leaseback transactions and film development projects

Business review and future outlook

There have been no significant changes during the year

During the year to 5 April 2011 the Partnership did not acquire any further films for sale and leaseback purposes. Details of the films previously acquired are outlined in Note 6

The Partnership will continue to consider opportunities to acquire film rights and other lease opportunities. Due to the phasing out of the film reliefs that supported sale and leaseback and the introduction of the new regime under which film production companies will be entitled to claim tax credits, there will be fewer opportunities available

Going concern

After making enquiries, the members have a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements

Further details regarding the adoption of the going concern basis can be found in Note 1 to the financial statements

Overseas branches

There are no overseas branches of the Partnership

BLYTH FILMS LLP

MEMBERS' REPORT (CONTINUED)

Policy regarding members' drawings and capital

Designated Members are not entitled to drawings. In accordance with the Members' Agreement, no Ordinary Member shall be entitled to make drawings on account of profits to which they are entitled, unless unanimously agreed by the Ordinary Members, or unless permitted under that Agreement. There were no transfers of members' capital to debt during the year. Members' capital is subscribed in accordance with the current Members' Agreement, and retained by the Partnership until such time as the members agree to repay the capital. The operating cash requirements of the Partnership shall ordinarily be met out of the members' initial contributions. No member shall be required to make further funding available after their admission as a member.

The designated members serving during the year were Fleet Film Partners 1 Limited and Fleet Film Partners 2 Limited ("the Designated Members").

Statement of members' responsibilities

Under the Members' Agreement, the Partnership is obliged to produce financial statements on an annual basis. The Designated Members are responsible for preparing the financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year.

Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Partnership and of the profit or loss for that year. In preparing these financial statements, the members are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable United Kingdom Accounting Standards have been followed, and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Partnership will continue in business.

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that the financial statements comply with the Companies Act 2006, as applied to limited liability partnerships. They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members are responsible for the maintenance and integrity of the corporate and financial information included on the Partnership operator's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

These responsibilities are exercised by the Designated Members on behalf of the Partnership.

BLYTH FILMS LLP

MEMBERS' REPORT (CONTINUED)

Auditors

Deloitte LLP are deemed to be reappointed under Section 487(2) of the Companies Act 2006 as applied to limited liability partnerships

Disclosure of information to auditors

Each Designated Member at the date of approval of this report confirms that

- so far as each Designated Member is aware, there is no relevant audit information of which the Partnership's auditors are unaware, and
- each Designated Member has taken all the steps (such as making enquiries of other members and the auditors and any other steps required by the Designated Members' duty to exercise due care, skill and diligence) that they ought to have taken in their duty as Designated Member in order to make themselves aware of any relevant audit information and to establish that the Partnership's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of Section 418(2) of the Companies Act 2006, as applied to limited liability partnerships

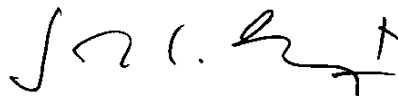
Approved by the Designated Members and signed on their behalf



Fleet Film Partners 1 Limited

Designated Member

Date



Fleet Film Partners 2 Limited

Designated Member

Date

Registered office

15 Golden Square
London
W1F 9JG

BLYTH FILMS LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLYTH FILMS LLP

We have audited the financial statements of Blyth Films LLP ("the Partnership") for the year ended 5th April 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related Notes 1 to 7. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the Partnership'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 Partnership and the Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the members and auditors

As explained more fully in the Members' Responsibilities Statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Partnership's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Designated Members, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any material misstatements or inconsistencies we consider the implications in our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Partnership's affairs as at 5th April 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006, as applied to limited liability partnerships.

BLYTH FILMS LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLYTH FILMS LLP (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- we have not received all the information and explanations we require for our audit, or
- the members were not entitled to take advantage of the small companies exception in preparing the Members' Report



Calum Thomson (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

Date 30.6.11

BLYTH FILMS LLP

**PROFIT AND LOSS ACCOUNT
YEAR ENDED 5 APRIL 2011**

	Notes	2011 £	2010 £
Turnover	1, 2	465,265	491,269
Operating expenses			
Agency fees	3	(905,996)	-
Audit fees and other professional fees	3	(1,500)	(3,250)
Sundry expenses		(30)	(30)
Bank charges		-	(59)
		<u>(907,526)</u>	<u>(3,339)</u>
OPERATING (LOSS)/PROFIT		(442,261)	487,930
(LOSS)/PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARE		<u>(442,261)</u>	<u>487,930</u>
RETAINED (LOSS)/PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS	4	<u>(442,261)</u>	<u>487,930</u>

All results are derived from continuing operations

There are no recognised gains or losses during the financial year other than as stated in the Profit and Loss Account above, and accordingly no separate statement of total recognised gains and losses is presented

The accompanying Notes are an integral part of this Profit and Loss Account

BLYTH FILMS LLP

**BALANCE SHEET
AS AT 5 APRIL 2011**

	Notes	2011 £	2010 £
CURRENT ASSETS			
Amounts falling due within one year:			
Net investment in film finance leases	6	1,295,229	1,180,597
Accrued finance lease income		185,058	196,767
Called up members' capital not paid		2	2
VAT receivable		-	569
Cash at bank		2,340	5,620
		<u>1,482,629</u>	<u>1,383,555</u>
CREDITORS			
Amounts falling due within one year:			
Trade creditors		-	(3,818)
Rentals received in advance		(1,213,933)	(1,175,839)
Accruals		(907,496)	-
		<u>(2,121,429)</u>	<u>(1,179,657)</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(638,800)</u>	<u>203,898</u>
ASSETS			
Amounts falling due after more than one year			
Net investment in film finance leases	6	<u>18,993,978</u>	<u>20,289,207</u>
NET ASSETS		<u><u>18,355,178</u></u>	<u><u>20,493,105</u></u>
MEMBERS' INTERESTS			
Members' capital	4	25,599,729	25,599,729
Other reserves	4	<u>(7,244,551)</u>	<u>(5,106,624)</u>
TOTAL MEMBERS' INTERESTS	4	<u><u>18,355,178</u></u>	<u><u>20,493,105</u></u>

These accounts have been prepared in accordance with the special provisions of the Companies Act 2006 (as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008) applicable to LLPs subject to the small LLPs regime

The accompanying Notes are an integral part of this Balance Sheet

The accounts on pages 6 to 11 of Blyth Films LLP, registered number OC313273, were approved by the Designated Members and authorised for issue on 2011

They were signed on its behalf by

Fleet Film Partners 1 Limited
Designated Member

Fleet Film Partners 2 Limited
Designated Member

BLYTH FILMS LLP

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 5 APRIL 2011

1. ACCOUNTING POLICIES

The Partnership was incorporated in England and Wales as a limited liability partnership under the Limited Liability Partnerships Act 2000

These financial statements are prepared under the historical cost convention, in accordance with applicable United Kingdom Accounting Standards in compliance with the Statement of Recommended Practice on Accounting for Limited Liability Partnerships. The particular accounting policies adopted, which have been applied consistently throughout the current and preceding year, are described below

Turnover

Turnover, excluding VAT, is recognised on the following basis

(i) Finance lease income

The recognition of finance lease income is calculated to reflect a constant periodic rate of return on the net cash investment in the lease

(ii) Participation in film net revenues

The Partnership's participation in film net revenues in excess of net investment in film finance leases, development and production expenditure, is recognised in turnover when notified by the relevant collection agent

The members do not consider any one part of the worldwide market to be significantly different from any other

Film finance leases

In accordance with SSAP 21 'Leases and Hire Purchase Contracts', the amount due from the lessee under finance leases is recorded in the Balance Sheet of the Partnership as a debtor at the amount of the net investment in the lease, less provision for any items such as bad and doubtful rentals receivable

Going concern

Under the terms of its sale and leaseback agreements the Partnership has contracted revenues and cash flows for the next 11 years. The Partnership is in a net assets position. Accordingly, the members believe that the Partnership will be able to maintain positive cash flows for the foreseeable future. As a result the going concern basis of accounting has been adopted

BLYTH FILMS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 5 APRIL 2011

1. ACCOUNTING POLICIES (CONTINUED)

Cash flow statement

The financial statements do not include a cash flow statement as the Partnership is exempt from the requirement to prepare such a statement under Paragraph 5(g) Financial Reporting Standard 1 'Cash Flow Statements'

Taxation

No current or deferred taxation is provided on the losses attributable to the members as the liability for taxation falls on the individual members

2. TURNOVER

Turnover represents finance lease income calculated to reflect a consistent periodic rate of return on the net cash investment in the lease plus any participation in net film revenues receivable in excess of the net investment made

3. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging	2011 £	2010 £
Fees payable to the Partnership's auditors for the audit of the Partnership's annual accounts	1,500	-
Recharge of prior year audit fees	-	2,700
Recharge of prior year tax services fees	-	550
Agency fees	905,996	-
	<u>907,496</u>	<u>3,250</u>

The Partnership will contribute £1,500 (2010 - £Nil) to the current year audit fees of £2,550 (2010 - £2,700) The balance of the fees will be borne by the Partnership operator

Agency fees in the current year will be borne by the members through additional capital subscribed in 2011/12

BLYTH FILMS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 5 APRIL 2011

4. RECONCILIATION OF MOVEMENTS IN MEMBERS' INTERESTS

	Members' Capital £	Other Reserves £	Total £	Loans and Other Amounts Due To Members £	Total Members' Interests £
Balance at 6 April 2010	25,599,729	(5,106,624)	20,493,105	-	20,493,105
Loss for the financial year available for discretionary division among members	-	(442,261)	(442,261)	-	(442,261)
Members' interests after loss for the year	25,599,729	(5,548,885)	20,050,844	-	20,050,844
Other division of losses	-	(1,695,666)	(1,695,666)	1,695,666	-
Drawings	-	-	-	(1,695,666)	(1,695,666)
Balance at 5 April 2011	<u>25,599,729</u>	<u>(7,244,551)</u>	<u>18,355,178</u>	<u>-</u>	<u>18,355,178</u>

5. INFORMATION RELATING TO MEMBERS

No member received any salaried remuneration from the Partnership during the year (2010 - £Nil)

The average number of members in the year was 4 (2010 - 4) The average allocation of loss was therefore £110,565 (2010 - £121,983 profit) and the largest allocation of loss to any single member was £441,009 (2009 - £486,648 profit)

BLYTH FILMS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 5 APRIL 2011

6. NET INVESTMENT IN FILM FINANCE LEASES

Name of film	Gross Rentals £	Finance Charge £	2011 Net Investment £	2010 Net Investment £
Films purchased previously:				
The Business	2,485,940	(401,379)	2,084,561	2,084,561
Confetti	2,167,108	(310,356)	1,856,752	1,856,752
Cashback	882,209	(139,289)	742,920	742,920
Kidulthood	882,862	(157,726)	725,136	725,136
Four Last Songs	4,614,636	(854,069)	3,760,567	3,760,567
The New World	1,123,274	(206,289)	916,985	916,985
The Magic Flute	17,625,769	(2,801,216)	14,824,553	14,824,553
	<u>29,781,798</u>	<u>(4,870,324)</u>	<u>24,911,474</u>	<u>24,911,474</u>
Rentals accrued previously	(5,331,103)	1,889,433	(3,441,670)	(2,368,705)
Rentals accrued to 5 April 2011	<u>(1,645,862)</u>	<u>465,265</u>	<u>(1,180,597)</u>	<u>(1,072,965)</u>
	<u>22,804,833</u>	<u>(2,515,626)</u>	<u>20,289,207</u>	<u>21,469,804</u>
Amounts falling due within one year			1,295,229	1,180,597
Amounts falling due within two to five years			6,436,217	5,920,937
Amounts falling due after more than five years			12,557,761	14,368,270
			<u>20,289,207</u>	<u>21,469,804</u>

7. RELATED PARTY TRANSACTIONS

Fleet Film Partners 1 Limited and Fleet Film Partners 2 Limited (the Designated Members) and Ingenious Media Investments Limited (the Partnership operator) are all wholly-owned subsidiaries of Ingenious Media Limited, which is itself a wholly-owned subsidiary of Ingenious Media Holdings plc, the ultimate parent company of the Ingenious Media group

There were no material transactions with any related parties in the year