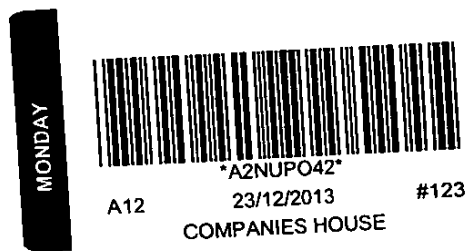


BLYTH FILMS LLP

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 2013



Limited Liability Partnership Number OC313273

BLYTH FILMS LLP

ANNUAL REPORT AND FINANCIAL STATEMENTS 2013

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BLYTH FILMS LLP

MEMBERS' REPORT YEAR ENDED 5 APRIL 2013

The members present the annual report on the affairs of Blyth Films LLP ("the Partnership"), together with the financial statements and auditor's report, for the year ended 5 April 2013

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 ending 5 April 2013 the Partnership did not acquire any further films for sale and leaseback purposes. Details of the films previously acquired are outlined in Note 8.

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 a new regime under which film production companies are 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.

Overseas branches

There are no overseas branches of the Partnership.

BLYTH FILMS LLP

MEMBERS' REPORT (CONTINUED) YEAR ENDED 5 APRIL 2013

Policy regarding members' drawings and capital

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

The 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.

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 Companies Act 2006 as applied to Limited Liability Partnerships by 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 operator of the Partnership is Ingenious Media Investments Limited ("the Operator").

The members are responsible for ensuring the integrity of the corporate and financial information included on the Operator's website and for ensuring that the information is maintained. 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)
YEAR ENDED 5 APRIL 2013

Auditor

During the year, Shipleys LLP was reappointed as the Partnership auditor

Disclosure of information to auditor

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 auditor is unaware, and
- each Designated Member has taken all the steps (such as making enquiries of other members and the auditor 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 auditor is 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

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

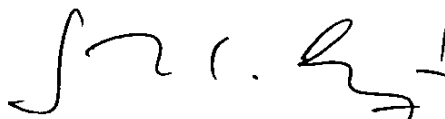
The report was approved by the Designated Members on 11/07/ 2013 and signed on their behalf by



Fleet Film Partners 1 Limited

Designated Member

Date 11/07/2013



Fleet Film Partners 2 Limited

Designated Member

Date 11/07/2013

Registered office
15 Golden Square
London
W1F 9JG

Limited Liability Partnership Number OC313273

BLYTH FILMS LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLYTH FILMS LLP

We have audited the financial statements of the Partnership for the year ending 5 April 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related Notes 1 to 10. 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 applicable to limited liability partnerships. 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 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 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 auditor

As explained more fully in the Members' Responsibilities Statement, the members are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 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 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 apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Partnership's affairs as at 5 April 2013 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 applicable to limited liability partnerships.

Opinion on other matters prescribed by the Companies Act 2006 as modified by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008

In our opinion the information given in the Members' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

BLYTH FILMS LLP

INDEPENDENT AUDITOR'S 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 applicable 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



Joseph Kinton (Senior Statutory Auditor)

for and on behalf of Shipleys LLP

Chartered Accountants and Statutory Auditor

10 Orange Street, Haymarket, London WC2H 7DQ

Date 11 July 2013

BLYTH FILMS LLP

**PROFIT AND LOSS ACCOUNT
YEAR ENDED 5 APRIL 2013**

	Notes	5 April 2013 £	5 April 2012 £
Turnover	1, 2	403,260	436,430
Operating expenses			
Agency fees		-	(603,998)
Audit fees and other professional fees	5	(1,350)	(3,650)
Depreciation	9	(3,550,800)	(3,064,389)
Bank charges		(21)	-
		<u>(3,552,171)</u>	<u>(3,672,037)</u>
OPERATING LOSS		(3,148,911)	(3,235,607)
Interest receivable and similar income	3	15,150	-
Interest payable and similar charges	4	(15,150)	-
		<u></u>	<u></u>
LOSS FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARE		(3,148,911)	(3,235,607)
		<u></u>	<u></u>
RETAINED LOSS FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS	6	(3,148,911)	(3,235,607)
		<u></u>	<u></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 Notes on pages 8 to 12 form an integral part of the financial statements

BLYTH FILMS LLP

**BALANCE SHEET
AS AT 5 APRIL 2013**

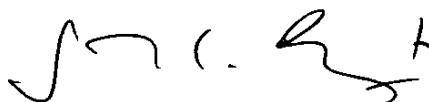
	Notes	5 April 2013 £	5 April 2012 £
FIXED ASSETS			
Films acquired under operating leases	9	17,754,000	17,754,000
Less Accumulated depreciation	9	<u>(6,615,189)</u>	<u>(3,064,389)</u>
		11,138,811	14,689,611
CURRENT ASSETS			
Amounts falling due within one year:			
Net investment in film finance leases	8	1,542,408	1,411,561
Accrued finance lease income		159,160	173,079
Called up members' capital not paid		2	2
VAT receivable		-	302,299
Cash at bank		<u>320,318</u>	<u>6,540</u>
		2,021,888	1,893,481
CREDITORS			
Amounts falling due within one year:			
Trade creditors		(301,999)	(301,999)
Other creditors		(15,150)	-
Rentals received in advance		(1,291,475)	(1,250,743)
Accruals		<u>(1,350)</u>	<u>(3,650)</u>
		(1,609,974)	(1,556,392)
NET CURRENT ASSETS		<u>411,914</u>	<u>337,089</u>
ASSETS			
Amounts falling due after more than one year:			
Net investment in film finance leases	8	<u>16,040,010</u>	<u>17,582,417</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>27,590,735</u>	<u>32,609,117</u>
MEMBERS' OTHER INTERESTS REPRESENTED BY:			
Members' capital classified as equity under FRS 25	6	44,869,723	44,869,723
Other reserves	6	<u>(17,278,988)</u>	<u>(12,260,606)</u>
TOTAL MEMBERS' INTERESTS	6	<u>27,590,735</u>	<u>32,609,117</u>
MEMBERS' OTHER INTERESTS		<u>27,590,735</u>	<u>32,609,117</u>

The Notes on pages 8 to 12 form an integral part of the financial statements

The financial statements were approved by the Designated Members and authorised for issue on 11/07/2013 and signed on their 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 2013

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) Operating lease income

Operating lease income is determined by the commercial success of the film and recognised when received

(iii) 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 'Accounting for 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

Rentals received in advance

When lease rentals are received in advance of the period to which they relate, the amounts are recorded as rentals received in advance and included as creditors due within one year

Film operating leases

Assets leased under operating leases have been recorded as fixed assets and depreciated on a straight-line basis at 20% p a. Rental income is recognised when received

Going concern

Under the terms of its sale and leaseback agreements the Partnership has contracted revenues and cash flows for the next 9 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 2013

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. Operating lease turnover is derived from operating lease charges on a cash received basis.

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2013 £	2012 £
Non - bank interest received	<u>15,150</u>	<u>-</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £	2012 £
Interest paid to Ingenious Media Investments Limited	<u>15,150</u>	<u>-</u>

5. AUDIT FEES AND OTHER PROFESSIONAL FEES

The analysis of auditor's remuneration is as follows

	2013 £	2012 £
Fees payable to the Partnership's auditor for the audit of the Partnership's annual accounts	<u>1,350</u>	<u>3,650</u>

BLYTH FILMS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 5 APRIL 2013

6. RECONCILIATION OF MOVEMENTS IN MEMBERS' INTERESTS

	Members' Capital £	Other Reserves £	Total £	Loans and Other Amounts Due To Members £	2013 Total Members' Interests £	2012 Total Members' Interests £
Balance brought forward	44,869,723	(12,260,606)	32,609,117	-	32,609,117	18,355,178
Loss for the financial year available for discretionary division among members	-	(3,148,911)	(3,148,911)	-	(3,148,911)	(3,235,607)
Members' interests after loss for the year	44,869,723	(15,409,517)	29,460,206	-	29,460,206	15,119,571
Other division of loss	-	(1,869,471)	(1,869,471)	1,869,471	-	-
Capital introduced	-	-	-	-	-	19,269,994
Drawings	-	-	-	(1,869,471)	(1,869,471)	(1,780,448)
Balance carried forward	<u>44,869,723</u>	<u>(17,278,988)</u>	<u>27,590,735</u>	<u>-</u>	<u>27,590,735</u>	<u>32,609,117</u>

7 INFORMATION RELATING TO MEMBERS

No member received any salaried remuneration from the Partnership during the year (2012 £Nil)

The average number of members in the year was 4 (2012 4) The average allocation of loss was therefore £787,228 (2012 £808,902) and the largest allocation of loss to any single member was £3,374,562 (2012 £3,488,435)

BLYTH FILMS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 5 APRIL 2013

8. NET INVESTMENT IN FILM LEASES

Name of film	Gross Rentals £	Finance Charge £	2013 Net Investment £	2012 Net Investment £	2013 Films Acquired For Leasing £	2012 Films Acquired For Leasing £
Films acquired for operating leases:						
X-Men First Class	-	-	-	-	17,754,000	17,754,000
	-	-	-	-	17,754,000	17,754,000
Films acquired for finance leases:						
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	(8,708,624)	2,791,128	(5,917,496)	(4,622,267)	-	-
Rentals accrued in the year	<u>(1,814,820)</u>	<u>403,260</u>	<u>(1,411,560)</u>	<u>(1,295,229)</u>	-	-
	<u>19,258,354</u>	<u>(1,675,936)</u>	<u>17,582,418</u>	<u>18,993,978</u>	<u>17,754,000</u>	<u>17,754,000</u>
Amounts falling due within one year			1,542,408	1,411,561		
Amounts falling due within two to five years			7,565,856	6,985,491		
Amounts falling due after more than five years			8,474,154	10,596,926		
			<u>17,582,418</u>	<u>18,993,978</u>		

9. FIXED ASSETS

Films acquired for operating leases	£
Cost at 6 April 2012	17,754,000
Film additions during the year	-
Cost at 5 April 2013:	<u>17,754,000</u>
Depreciation at 6 April 2012	(3,064,389)
Depreciation charged during the year	(3,550,800)
Accumulated depreciation at 5 April 2013:	<u>(6,615,189)</u>
Net Book Value at 5 April 2013	<u>11,138,811</u>

BLYTH FILMS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 5 APRIL 2013

10. RELATED PARTY TRANSACTIONS

The Designated Members and the 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

	2013 £	2012 £
Interest due to Ingenious Media Investments Limited	<u>15,150</u>	<u>-</u>

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