

Registered number: 5957372

**AYNGARAN INTERNATIONAL (UK) LTD  
REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2013**

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FOR THE YEAR ENDED 31ST MARCH 2013**

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**AYNGARAN INTERNATIONAL (UK) LTD**

**Company Information**

<b>Directors</b>	K Karunamoorthy R Manickavasagar A Heffernan
<b>Secretary</b>	A Mavinkurve
<b>Registered Office</b>	Milner House 13 Manchester Square London W1U 3PP
<b>Registration Number</b>	5957372
<b>Auditors</b>	Chris Seeromben & Co 298 High Street North, Manor Park, London E12 6SA

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

The directors present their report and the financial statements of the company for the year ended 31st March 2013

**PRINCIPAL ACTIVITY**

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

**REVIEW OF BUSINESS**

The directors consider the Loss incurred on ordinary activities 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

**GOING CONCERN AND LIQUIDITY RISK**

The directors do not envisage any going concern or liquidity problems because of the ongoing support of the Holding Company

**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 2006 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

In so far as the directors are aware

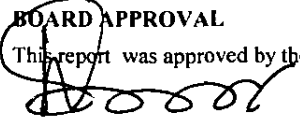
- there is no relevant information needed by the company's auditors in connection with preparing their report of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish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

**AUDITORS**

Chris Seeromben & Co offers themselves for re-appointment as auditors in accordance with Section 485 of the Companies Act 2006

**BOARD APPROVAL**

This report was approved by the Board on 3/7/13 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 31 March 2013 set out on pages 4 to 8. 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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of the directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors 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 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 company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements

-give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its profit 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

### **Matters on which we are required to report by exception**

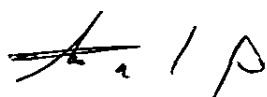
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

-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

-certain disclosures of directors' remuneration specified by law are not made, or

-we have not received all the information and explanations we require for our audit.



Paramananda Seeromben FCCA (Senior Statutory Auditor)

for and on behalf of Chris Seeromben & Co

Chartered Certified Accountants

And Statutory Auditors

298, High Street North,

Manor Park, London E12 6SA

Date 12/07/2013

**AYNGARAN INTERNATIONAL ( UK) LTD**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2013.**

		<b>2013</b>	<b>2012</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
Turnover		3,644,443	4,257,120
Cost of sales		<u>(3,030,346)</u>	<u>(3,876,798)</u>
Gross profit		614,097	380,322
Distribution costs		(27,976)	(35,552)
Administrative expenses		<u>(438,308)</u>	<u>(555,613)</u>
Operating profit / (loss)	2	147,813	(210,843)
Other gains & losses		(199,123)	15,519
Interest payable		<u>(384)</u>	<u>(184)</u>
Loss on ordinary activities before taxation		(51,694)	(195,508)
Taxation	3	-	4,719
Loss on ordinary activities after taxation		<u><u>(51,694)</u></u>	<u><u>(190,789)</u></u>

All transactions arise from continuing operations

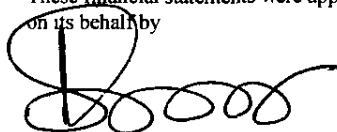
The company has no recognised gains and losses other than the loss for the above period

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

**AYNGARAN INTERNATIONAL (UK) LTD**  
**BALANCE SHEET AS AT 31ST MARCH 2013**

	Notes	2013	2012
		£	£
<b>FIXED ASSETS</b>			
Intangible Fixed Assets	4	2,079,515	1,547,922
Tangible Fixed Assets	5	3,553	20,714
		<u>2,083,068</u>	<u>1,568,636</u>
<b>CURRENT ASSETS</b>			
Stocks		165,351	169,314
Debtors	6	8,318,480	7,912,657
Cash at Bank and in hand		5,397	4,876
		<u>8,489,228</u>	<u>8,086,847</u>
<b>CREDITORS</b> Amounts falling due within one year	7	<u>(10,709,292)</u>	<u>(9,740,785)</u>
<b>NET CURRENT LIABILITIES</b>		(2,220,064)	(1,653,938)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(136,996)</u>	<u>(85,302)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	1	1
Profit and loss account	9	<u>(136,997)</u>	<u>(85,303)</u>
<b>Shareholders Funds</b>	10	<u>(136,996)</u>	<u>(85,302)</u>

These financial statements were approved by the Board of Directors on 3/7/2013 and were signed on its behalf by



Rohan Manickavasagar  
Director

Company registration number 5957372

The notes on pages 6 to 10 form an integral part of these financial statements

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

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013**

#### **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 (Content)**

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 Vehicle 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 2013**

**2 OPERATING (LOSS)**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Operating (loss) is stated after charging		
Directors' emoluments	130,103	125,503
Amortisation of intangible fixed assets	2,200,086	2,709,865
Depreciation of tangible fixed assets	17,161	18,578
Auditors' remuneration	3,500	8,480

**3 TAXATION**

	<b>2,013</b>	<b>2,012</b>
	<b>£</b>	<b>£</b>
UK Corporation Tax	-	(4719)

**4 INTANGIBLE FIXED ASSETS**

	<b>Audio Rights</b>	<b>Film Rights</b>	<b>Bluray</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1st April 2012	131,418	15,307,459	107,424	15,546,301
Additions	-	2,731,679	-	2,731,679
At 31st March 2013	131,418	18,039,138	107,424	18,277,980
<b>Depreciation</b>				
At 1st April 2012	56,198	13,842,718	99,463	13,998,379
Charge for the year	13,142	2,182,963	3,981	2,200,086
At 31st March 2013	69,340	16,025,681	103,444	16,198,465
<b>Net Book Value;</b>				
At 31st March 2013	62,078	2,013,457	3,980	2,079,515
At 31st March 2012	75,220	1,464,741	7,961	1,547,922

**5 TANGIBLE FIXED ASSETS**

	<b>Motor Vehicle</b>	<b>Equipment</b>	<b>Plant &amp;</b>	<b>Total</b>
	<b>£</b>	<b>Fixtures &amp; fittings</b>	<b>Machinery</b>	<b>£</b>
At 1st April 2012 & 31st March 2013	2,500	15,532	74,858	92,890
<b>Depreciation</b>				
At 1st April 2012	2,500	10,813	58,863	72,176
Charge for the year	-	2,189	14,972	17,161
At 31st March 2013	2,500	13,002	73,835	89,337
<b>Net Book Value:</b>				
At 31st March 2013	-	2,530	1,023	3,553
At 31st March 2012	-	4,719	15,995	20,714

**AYNGARAN INTERNATIONAL (UK) LTD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2013**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>6 DEBTORS</b>		
Trade debtors	2,663,302	2,618,894
Advances to group undertakings	5,622,294	5,194,142
Other debtors	4,721	-
Prepayments and accrued income	28,163	99,621
	<u>8,318,480</u>	<u>7,912,657</u>

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>7 CREDITORS:</b> Amounts falling due within one year		
Bank overdraft	-	38,540
Trade creditors	711,298	516,430
Amounts owed to group undertakings	9,856,714	9,000,231
Social security and other taxes	124,773	106,718
Directors' accounts	-	62,866
Other creditors	16,507	16,000
	<u>10,709,292</u>	<u>9,740,785</u>

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>8 CALLED UP SHARE CAPITAL</b>		
<b>Authorised</b>		
1000 ordinary shares of £1 each	<u>1000</u>	<u>1000</u>
<b>Allotted issued and fully paid</b>		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>9 RESERVES</b>		
At 1st April 2012	(85,303)	105,486
Loss for the year	(51,694)	(190,789)
At 31st March 2013	<u>(136,997)</u>	<u>(85,303)</u>

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>10 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS</b>		
Loss for the year	(51,694)	(190,789)
Opening shareholders' funds	(85,302)	105,487
Closing shareholders' funds	<u>(136,996)</u>	<u>(85,302)</u>

**11 RELATED PARTY DISCLOSURES**

The company has claimed exemption under FRS 8 from disclosing transactions with fellow 100% subsidiaries

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Amounts owed by at 31st March</b>		
Eros International Ltd	<u>1,083,879</u>	<u>1,062,330</u>
<b>Transactions during the year</b>		
Sales to related parties	<u>16 699</u>	<u>28,054</u>

**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)