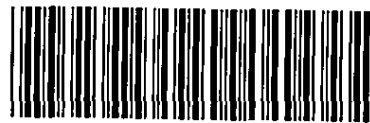


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3DD ENTERTAINMENT LIMITED

FINANCIAL STATEMENTS

***For the Year ended
31 MARCH 2012***

3DD ENTERTAINMENT LIMITED
FINANCIAL STATEMENTS

For the year ended 31 MARCH 2012

Company registration number:	02957521
Registered office	MSP Secretaries 27/28 Eastcastle Street London W1W 8DH
Director	Dominic Saville
Secretary:	Jennifer Bentley
Bankers:	Coutts & Co Media Banking Office 440 Strand London WC2R 0QS
Solicitors	Lee & Thompson 4 Gee's Court, St. Christopher's Place, London W1U 1JD
Reporting Accountants	Grant Thornton UK LLP Chartered Accountants Grant Thornton House Melton Street Euston Square London NW1 2EP

3DD ENTERTAINMENT LIMITED
FINANCIAL STATEMENTS

For the year ended 31 MARCH 2012

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The director presents the report together with the unaudited financial statements for the year ended 31 March 2012

Principal activity

The principal activity of the company continued to be that of distributors of television programmes and series, for sale worldwide on traditional and new media channels.

Business review

There was a profit for the year after taxation amounting to £263,881 (2011: £112,815). The director does not recommend the payment of a dividend.

Director

The director's interests in the shares of the Company's ultimate parent company, 3DD Holdings Ltd, are disclosed in the director's report of that company.

Financial risk management objectives and policies

The company uses various financial instruments which include cash, trade debtors, trade creditors and amounts due to group undertakings that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below

The main risks arising from the company's financial instruments are currency risk, interest rate risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Currency risk

The company is exposed to translation and transaction foreign exchange risk.

Approximately a third of the company's purchases are from mainland USA and are transacted in US dollars. The company does not adopt a prescribed policy to eliminate currency exposures but does purchase US dollars to hold for the purpose of settling these liabilities from time to time when rates are favourable.

The company's financial liabilities in currencies other than sterling amount to £ 13,250 (US\$ 21,200) (2011: £56,095 (2011: US\$88,957)) and £ 60,517 (€ 75,040) (2011: £1,992 (2011: €2,374)). Foreign exchange differences on retranslation of these liabilities are taken to the profit and loss account of the company.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

The company's policy throughout the year has been to achieve this objective through management's day to day involvement in business decisions rather than through setting maximum or minimum liquidity ratios.

Interest rate risk

The company finances its operations through bank loans and cash overdrafts, as well as utilising realised profits.

The interest rate exposure of the financial assets and liabilities of the company as at 31 March 2012 is shown in the balance sheet. The balance sheet includes trade debtors and creditors as these do not attract interest and are therefore subject to fair value interest rate risk.

Credit risk

The company's principal financial assets are cash at bank and trade debtors. The credit risk associated with cash is limited as the counterparties have high credit ratings assigned by international credit-rating agencies. The principal credit risk arises, therefore, from trade debtors.

In order to manage credit risk management set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the financial controller on a regular basis in conjunction with debt ageing and collection history.

Statement of director's responsibilities

The director is responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 director is required to:

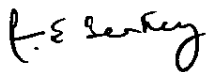
- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

Statement of director's responsibilities (continued)

The director is responsible for keeping adequate accounting records that 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. He is 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.

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

BY ORDER OF THE BOARD



Jennifer Bentley
Secretary

21 DECEMBER

2012

Chartered Accountants' Report to the Director on the Unaudited Financial Statements of 3DD Entertainment Limited

In accordance with the engagement letter and in order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of 3DD Entertainment Limited for the year ended 31 March 2012 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes from the company's accounting records and from information and explanations you have given to us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at www.icaew.com.

This report is made to the Director of 3DD Entertainment Limited, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of 3DD Entertainment Limited and state those matters that we have agreed to state to the Director, in this report in accordance with the requirements of the Institute of Chartered Accountants in England and Wales, as detailed at www.icaew.com. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than 3DD Entertainment Limited and its Director for our work or for this report.

It is your duty to ensure that 3DD Entertainment Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and result of 3DD Entertainment Limited. You consider that 3DD Entertainment Limited is exempt from the statutory audit requirement for the year ended 31 March 2012.

We have not been instructed to carry out an audit or a review of the accounts of 3DD Entertainment Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
CHARTERED ACCOUNTANTS
LONDON

21st December 2012

Basis of Preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

Going concern

The Director has prepared the accounts under the assumption that the company is a going concern on the basis that the company has the support of Coutts bank in the form of an ongoing loan facility that provides sufficient funding to meet the company's projected cash requirements for a period of at least twelve months from the date of approval of these financial statements.

Turnover

Turnover (which excludes VAT) represents revenue that the company has earned in respect of programme sales.

Revenue is recognised when all of the following criteria are met:

- a) a licence agreement has been signed by both parties
- b) the arrangement is fixed and determinable
- c) collection is reasonably assured

Tangible Fixed Assets and Depreciation

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives. The rates generally applicable are:

Leasehold properties	Straight line over the life of the lease
Fixtures and fittings	25% pa straight line basis
Computer software	25% pa straight line basis

Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

Investments

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax on defined benefit pension scheme surpluses or deficits is adjusted against these surpluses. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Foreign currency

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. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

Contributions to pension schemes

Defined Contribution Scheme

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period

Related party disclosures

The company has taken advantage of the exemption available in FRS 8 from disclosing transactions with entities that are part of the 3DD Holdings Limited group of companies.

3DD ENTERTAINMENT LIMITED
PROFIT AND LOSS ACCOUNT

For the year ended 31 MARCH 2012

	Note	2012 £	2011 £
Turnover	1	3,893,677	3,489,790
Cost of sales		<u>(2,869,005)</u>	<u>(2,627,280)</u>
Gross profit		1,024,672	862,510
Other operating charges		<u>(612,472)</u>	<u>(638,891)</u>
Operating profit/(loss)		412,200	223,619
Other charges	1	(26,962)	(21,688)
Interest payable	2	<u>(35,537)</u>	<u>(31,336)</u>
Profit on ordinary activities before taxation	1	349,701	170,595
Tax on profit on ordinary activities	4	(85,820)	(57,780)
Profit on ordinary activities after taxation	13	<u>263,881</u>	<u>112,815</u>

All transactions arise from continuing operations.

There were no recognised gains or losses other than the profit for the financial year

The accompanying accounting policies and notes form an integral part of these financial statements

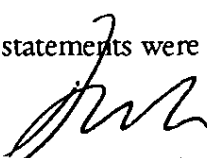
3DD ENTERTAINMENT LIMITED
BALANCE SHEET AT 31 MARCH 2012

	Note	2012 £	2011 £
Fixed assets			
Intangible assets	5	-	-
Tangible assets	6	<u>30,995</u>	<u>45,259</u>
		30,995	45,259
Current assets			
Debtors	7	3,254,809	4,255,159
Cash at bank and in hand		<u>60,197</u>	<u>30,892</u>
		3,315,006	4,286,051
Creditors: amounts falling due within one year	8	<u>(1,750,253)</u>	<u>(2,950,229)</u>
Net current assets		1,564,753	1,335,822
Total assets less current liabilities		1,595,748	1,381,081
Creditors: amounts falling due after more than one year	9	<u>(619,683)</u>	<u>(668,897)</u>
		976,065	712,184
Capital and reserves			
Called up share capital	12	1,000	1,000
Profit and loss account	13	<u>975,065</u>	<u>711,184</u>
Shareholders' funds		976,065	712,184

In preparing these accounts:

- a The director is of the opinion that the company is entitled to the exemption from audit conferred by Section 477 of the Companies Act 2006; and
- b no notice has been deposited under Section 476 of the Companies Act 2006, and
- c the director acknowledges his responsibility for
 - (i) ensuring that the company keeps accounting records which comply with Section 386 of the Companies Act 2006, and
 - (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of the Companies Act 2006, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The financial statements were approved by the sole Director on 21 Dec 2012.

[.....] ] **Dominic Saville Director**
 Company no 02957521

The accompanying accounting policies and notes form an integral part of these financial statements

3DD ENTERTAINMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 MARCH 2012

1 Turnover and profit on ordinary activities before taxation

The turnover of the company has been derived from its principal activity and is split as follows:

	2012 £	2011 £
United Kingdom	175,532	210,458
Overseas	3,718,145	3,279,332
	<u>3,893,677</u>	<u>3,489,790</u>

The profit on ordinary activities before taxation is stated after:

	2012 £	2011 £
(Gain)/Loss on foreign exchange	5,341	21,688
Depreciation on tangible fixed assets owned	14,264	14,267

2 Interest payable and similar charges

	2012 £	2011 £
On bank loans and overdrafts	<u>35,537</u>	<u>31,336</u>

3 Directors and employees

Staff costs during the year were as follows:

	2012 £	2011 £
Wages and salaries	462,245	449,256
Social security costs	54,229	48,825
Other pension costs	2,724	2,624
	<u>519,198</u>	<u>500,705</u>

The average number of employees of the company during the year was:

	2012 Number	2011 Number
Sales and marketing	10	11
Administration	4	2
	<u>14</u>	<u>13</u>

3DD ENTERTAINMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 MARCH 2012

Remuneration in respect of directors was as follows:

	2012	2011
	£	£
Emoluments	113,802	123,348
Pension contributions to money purchase pension schemes	<u>7,800</u>	<u>7,800</u>
	<u>121,602</u>	<u>131,148</u>

During the year one director (2011: one) participated in money purchase pension schemes.

3DD ENTERTAINMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 MARCH 2012

4 Tax on profit on ordinary activities

The tax charge is based on the profit for the year and represents:

	2012 £	2011 £
United Kingdom corporation tax	44,613	44,019
Adjustments in respect of prior years	(17,603)	14,399
Total current tax	<u>27,010</u>	<u>58,418</u>
Foreign tax	48,327	-
Adjustments in respect of prior years	12,310	-
Total current tax	<u>87,647</u>	<u>58,418</u>
Origination & reversal of timing differences	(1,776)	(638)
Impact of change in deferred tax rate	(51)	-
Total deferred tax credit	<u>(1,827)</u>	<u>(638)</u>
Tax on profit on ordinary activities	<u>85,820</u>	<u>57,780</u>
Factors affecting the tax charge for period:		
Profit on ordinary activities before tax	349,701	170,595
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax 26% (2011 26%)	90,922	44,095
Effect of		
Expenses not deductible for tax purposes	2,264	3,212
Capital allowances for the period in excess of depreciation	-	-
Adjustments in respect of prior year	(5,293)	14,399
Utilisation of tax losses	1,776	(585)
Marginal small profits relief	(2,021)	(3,152)
Difference in tax rate	-	(189)
Current tax charge for period	<u>87,647</u>	<u>57,780</u>

3DD ENTERTAINMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 MARCH 2012

5 Intangible fixed assets

	Accumulated library rights £
Cost	
At 1 April 2011 and 31 March 2012	<u>494,685</u>
Amortisation	
At 1 April 2011 and 31 March 2012	<u>494,685</u>
Net book amount at 31 March 2011 and 31 March 2012	<u>-</u>

6 Tangible fixed assets

	Short leasehold property £	Office equipment figures and fittings £	Computer software £	Total £
Cost				
At 1 April 2011 and at 31 March 2012	<u>28,210</u>	<u>49,917</u>	<u>61,506</u>	<u>139,633</u>
Depreciation				
At 1 April 2011	7,757	36,291	50,326	94,374
Charge for the year	2,820	834	10,610	14,264
At 31 March 2012	<u>10,577</u>	<u>37,125</u>	<u>60,936</u>	<u>108,638</u>
Net book amount at 31 March 2012	<u>17,633</u>	<u>12,792</u>	<u>570</u>	<u>30,995</u>
Net book amount at 31 March 2011	<u>20,453</u>	<u>13,626</u>	<u>11,180</u>	<u>45,259</u>

3DD ENTERTAINMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 MARCH 2012

7 Debtors

	2012 £	2011 £
Trade debtors	2,004,732	2,237,669
Amounts owed by other group undertakings	1,162,525	1,813,522
Other debtors	21,556	42,739
Prepayments and accrued income	65,996	161,229
	<u>3,254,809</u>	<u>4,255,159</u>

Within prepayments and accrued income are advances which represent payments made to third parties to secure distribution rights and recoupable expenses incurred in exploiting those rights. The amount is not analysed between 'amounts recoupable within 1 year' and 'amounts recoupable after more than one year' as these cannot be ascertained with reasonable accuracy.

8 Creditors: amounts falling due within one year

	2012 £	2011 £
Bank overdraft	-	89,505
Bank loan	252,231	498,270
Trade creditors	719,150	560,287
Corporation tax	27,010	91,095
Other taxation and social security	179,494	186,542
Accruals and deferred income	555,542	1,265,955
Other creditors	16,826	258,575
	<u>1,750,253</u>	<u>2,950,229</u>

9 Creditors: amounts falling due after more than one year

	2012 £	2011 £
Bank loans	128,676	62,889
Other creditors	491,007	606,008
	<u>619,683</u>	<u>668,897</u>

The bank overdraft and bank loans are secured by way of a fixed and floating charge created on 8 June 2004 in favour of Coutts & Co over all present and future assets of the company. The bank loans are repayable by September 2012.

3DD ENTERTAINMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 MARCH 2012

Creditors: amounts falling due after more than one year (continued)

The £491,007 represents a creditor due to the BBC which was being repaid at a rate of £2,500 per week until December 2012 and at £5,000 per week thereafter. The total balance outstanding at 31 March 2012 is £686,007, of which £195,000 is repayable in the next 12 months and included within other creditors due in less than one year.

10 Deferred Tax

	2012 £	2011 £
At beginning of year	2,441	3,080
Other movement	(1,827)	(639)
At end of year	<u>614</u>	<u>2,441</u>

11 Borrowings

Borrowings are repayable as follows.

	2012 £	2011 £
Within one year – bank loans	135,774	135,000
Within one year - sales based loans	119,721	363,270
After one and within two years	128,676	62,889
	<u>384,171</u>	<u>561,159</u>

12 Share capital

	2012 £	2011 £
Authorised		
1,250,000 ordinary shares of £0.001 each	<u>1,250</u>	<u>1,250</u>
Allotted, called up and fully paid		
1,000,000 ordinary shares of £0.001 each	<u>1,000</u>	<u>1,000</u>

3DD ENTERTAINMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 MARCH 2012

13 Reserves

	Profit and loss account £
At 1 April 2011	711,184
Profit for the year	<u>263,881</u>
At 31 March 2012	<u><u>975,065</u></u>

14 Reconciliation of movements in shareholder's funds

	2012 £	2011 £
Profit for the financial year	263,881	112,815
Shareholders' funds at 1 April 2011	<u>712,184</u>	<u>599,369</u>
Shareholders' funds at 31 March 2012	<u><u>976,065</u></u>	<u><u>712,184</u></u>

15 Capital commitments

The company had no capital commitments at 31 March 2012 or 31 March 2011.

16 Contingent liabilities

There were no contingent liabilities at 31 March 2012 or 31 March 2011.

17 Pensions

Money Purchase Scheme

The company operates a money purchase pension scheme for the benefit of the employees and directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

3DD ENTERTAINMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 MARCH 2012

18 Leasing commitments

Operating lease payments commitments are £15,602 (2011: £34,532). The leases to which these amounts relate expire as follows:

	2012 £	2011 £
Within one year	15,602	25,605
Between one and five years	-	8,927
	<u>15,602</u>	<u>34,532</u>

19 Transactions with directors /and other related parties

InD DVD Limited

During the year, royalties receivable from InD DVD Limited amounted to £17,096 (2011: £4,676). In addition, 3DD Entertainment Limited paid £6,306 (2011: £6,188) of expenses on behalf of InD DVD Limited and charged management expenses amounting to £1,688 (2011: £3,188) to InD DVD Limited. The amount owed by InD DVD Limited at the year end was £164,573 (2011: £192,586).

As at 31 March 2012 the company owed Sebastian Saville, a close relative of Dominic Saville, £32,551 (2011: £10,498.)

20 Controlling related party

The director considers that the ultimate parent undertaking of this company is 3DD Holdings Limited (registration number 05102800), incorporated in England and Wales. Copies of the parent undertakings' accounts are available from the company from the company's registered offices. The company is controlled by D T Saville by virtue of his majority shareholding in the ultimate parent company.

3DD ENTERTAINMENT LIMITED
DETAILED Trading and PROFIT AND LOSS ACCOUNT

For the year ended 31 MARCH 2012

	2012 £	2011 £
Sales		
Turnover - UK	175,532	350,458
Sales - Rest of World	3,718,145	3,139,332
	<u>3,893,677</u>	<u>3,489,790</u>
Cost of sales	<u>(2,869,005)</u>	<u>(2,627,280)</u>
Gross profit	1,024,672	862,510
Administrative expenses		
Salaries and wages - gross	484,360	465,907
Employers national insurance contribution	54,229	48,327
Directors remuneration - gross	100,000	110,000
Directors remuneration - national insurance	13,801	13,349
Directors remuneration - pension costs	7,800	7,800
Salaries and wages - pension costs	2,740	2,143
Staff training/recruitment	125	7,942
Rent and rates	104,596	106,623
Insurance	9,027	9,886
Light, heat and power	6,667	4,586
Cleaning and laundry	5,322	5,034
Repairs and renewals	25,165	18,732
Printing, postage and stationery	31,139	31,117
Telephone	19,289	31,558
Website maintenance and computer costs	47,625	55,268
Hire of equipment	9,794	2,970
Travel costs	11,005	28,461
Entertaining	569	6,668
Legal and professional fees	19,657	11,376
Accountancy	26,546	12,150
Bank charges	26,962	19,741
Buildings maintenance and repairs	3,732	4,105
Advertising and Promotion	150	198
Research/other	7,111	158
Charitable donations	900	-
Subscriptions	916	1,025
Depreciation on short leasehold	2,820	2,822
Depreciation on fixtures, fittings and equipment	11,444	11,444
	<u>1,033,491</u>	<u>1,019,390</u>
Management fees receivable	388,716	380,449
Operating profit/(loss)	379,897	223,619
(Loss)/profit on foreign exchange	5,341	(21,688)
Interest payable	(35,537)	(31,336)
Taxation	(85,820)	(57,780)
Net profit for the year	263,881	112,815