

**Registration number 5222227**

**IG Interactive Entertainment Limited**  
**Directors' report and financial statements**  
**for the year ended 31 March 2011**

## **IG Interactive Entertainment Limited**

### **Company information**

Directors	Hitesh Chandarana Deven Khote
Secretary	Mrs B Chandarana
Company number	5222227
Registered office	51 - 53 Station Road Harrow Middlesex HA1 2TY
Auditors	Nagle James Associates Limited 51- 53 Station Road Harrow Middlesex HA1 2TY

# **IG Interactive Entertainment Limited**

## **Contents**

	<b>Page</b>
Directors' report	<b>1 - 2</b>
Auditors' report	<b>3 - 4</b>
Profit and loss account	<b>5</b>
Balance sheet	<b>6</b>
Cash flow statement	<b>7</b>
Notes to the financial statements	<b>8 - 18</b>

# **IG Interactive Entertainment Limited**

## **Directors' report for the year ended 31 March 2011**

The directors present their report and the financial statements for the year ended 31 March 2011.

### **Principal activity**

The principal activity of the company is that of distribution and marketing of entertainment software including motion pictures.

### **Results and dividends**

The results for the year are set out on page 5.

The directors do not recommend payment of a final dividend.

### **Directors**

The directors who served during the year are as stated below:

Hitesh Chandarana

Deven Khote

### **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 that law the directors 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 company and of the profit or loss of the company for that year. In preparing these financial statements, the directors are required

- select suitable accounting policies and 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.

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.

The directors of a company must, in determining how amounts are presented within items in the profit and loss account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles and practice.

**IG Interactive Entertainment Limited**

**Directors' report  
for the year ended 31 March 2011**

..... continued

In so far as the directors are aware:

- there is no relevant audit information (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**

Nagle James Associates Limited are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

This report was approved by the Board on 13 May 2011 and signed on its behalf by

  
.....  
**Deven Khote**  
**Director**

**Independent auditor's report to the shareholders of  
IG Interactive Entertainment Limited**

We have audited the financial statements of IG Interactive Entertainment Limited for the year ended 31 March 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Reconciliation of Movements in Shareholders' Funds and the related notes. 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 shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 1 - 2, 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 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 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 the 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 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.

**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.

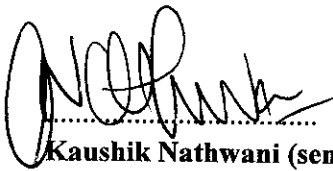
**Independent auditor's report to the shareholders of  
IG Interactive Entertainment Limited**

.....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 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.



.....  
**Kaushik Nathwani (senior statutory auditor)**

**For and on behalf of Nagle James Associates Limited**

**Chartered Accountants and**

**Registered Auditors**

**51- 53 Station Road**

**Harrow**

**Middlesex**

**HA1 2TY**

**Date : 16 May 2011**  
.....

**IG Interactive Entertainment Limited**

**Profit and loss account  
for the year ended 31 March 2011**

		<b>Continuing operations</b>	
		<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	<b>Notes</b>		
<b>Turnover</b>	<b>2</b>	1,834,953	717,185
Cost of sales		(1,762,431)	(977,805)
<b>Gross profit/(loss)</b>		<u>72,522</u>	<u>(260,620)</u>
Administrative expenses		(1,493,037)	(172,252)
Other operating income		-	75
<b>Operating loss</b>	<b>3</b>	<u>(1,420,515)</u>	<u>(432,797)</u>
Exceptional item		-	(1,350,182)
<b>Loss on ordinary activities before interest</b>		<u>(1,420,515)</u>	<u>(1,782,979)</u>
Other interest receivable and similar income	<b>5</b>	757,818	733,188
Interest payable and similar charges	<b>6</b>	(352,682)	(346,704)
<b>Loss on ordinary activities before taxation</b>		<u>(1,015,379)</u>	<u>(1,396,495)</u>
Tax on loss on ordinary activities	<b>8</b>	(9,266)	(7,036)
<b>Loss for the year</b>	<b>16</b>	<u><u>(1,024,645)</u></u>	<u><u>(1,403,531)</u></u>

There are no recognised gains or losses other than the profit or loss for the above two financial years.

**The notes on pages 8 to 18 form an integral part of these financial statements.**



**IG Interactive Entertainment Limited**

**Balance sheet  
as at 31 March 2011**

	Notes	2011		2010	
		£	£	£	£
<b>Fixed assets</b>					
Investments	10		25,999,804		25,999,803
<b>Current assets</b>					
Stocks	11	8,562		7,502	
Debtors	12	22,351,765		9,268,723	
Cash at bank and in hand		101,425		121,471	
		22,461,752		9,397,696	
<b>Creditors: amounts falling due within one year</b>	13	(11,464,587)		(3,406,116)	
<b>Net current assets</b>			10,997,165		5,991,580
<b>Total assets less current liabilities</b>			36,996,969		31,991,383
<b>Creditors: amounts falling due after more than one year</b>	14		(6,030,230)		(11,579,704)
<b>Net assets</b>			30,966,739		20,411,679
<b>Capital and reserves</b>					
Called up share capital	15		33,358,600		21,778,895
Profit and loss account	16		(2,391,861)		(1,367,216)
<b>Shareholders' funds</b>	17		30,966,739		20,411,679

The financial statements were approved by the Board on 13 May 2011 and signed on its behalf by

  
.....  
**Deven Khote**  
Director

Registration number 5222227

The notes on pages 8 to 18 form an integral part of these financial statements.

**IG Interactive Entertainment Limited**

**Cash flow statement  
for the year ended 31 March 2011**

	Notes	2011 £	2010 £
<b>Reconciliation of operating loss to net cash outflow from operating activities</b>			
Operating loss		(1,420,515)	(432,797)
Depreciation		-	1,131
(Increase) in stocks		(1,060)	195,104
(Increase) in debtors		(13,083,042)	13,439,170
Increase in creditors		8,059,505	(2,733,812)
<b>Net cash outflow from operating activities</b>		<u>(6,445,112)</u>	<u>10,468,796</u>
<b>Cash flow statement</b>			
Net cash outflow from operating activities		(6,445,112)	10,468,796
Returns on investments and servicing of finance	21	405,136	386,484
Taxation	21	(10,301)	(8,900)
Capital expenditure	21	-	(131)
Acquisitions and disposals	21	-	(15,013,024)
		<u>(6,050,277)</u>	<u>(4,166,775)</u>
Financing	21	11,579,705	4,237,047
<b>Increase in cash in the year</b>		<u>5,529,428</u>	<u>70,272</u>
<b>Reconciliation of net cash flow to movement in net funds (Note 22)</b>			
<b>Increase in cash in the year</b>		5,529,428	70,272
Cash outflow from decrease in debts and lease financing		-	(4,237,047)
Change in net funds resulting from cash flows		5,529,428	(4,166,775)
<b>Net debt at 1 April 2010</b>		<u>(11,458,233)</u>	<u>(7,291,458)</u>
<b>Net debt at 31 March 2011</b>		<u>(5,928,805)</u>	<u>(11,458,233)</u>

# IG Interactive Entertainment Limited

## Notes to the financial statements for the year ended 31 March 2011

### 1. Accounting policies

#### 1.1. Accounting convention

The financial statements are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board.

#### 1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

Revenue from distribution of movies is recognised in accordance with the distribution agreement or on physical delivery of the movies, whichever is later.

#### 1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	-	20% straight line
-------------------------------------	---	-------------------

#### 1.4. Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value.

#### 1.5. Inventory

Inventory is valued at the lower of cost and net realisable value.

The Company begins amortization of capitalized film costs when a film is released and begins to recognize the revenue from that film. The film cost is stated at the lower of unamortized cost or estimated value on an individual film. Revenue forecasts for the films are continually reviewed by management and revised when warranted by changing conditions. When estimates of total revenues and other events or changes in circumstances indicate that a film has a value that is less than its unamortized cost, a loss is recognized currently for the amount by which the unamortized cost exceeds the film fair value

#### 1.6. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

#### 1.7. Group accounts

The company is entitled to the exemption under s401 Companies Act 2006 from the obligation to prepare group accounts.

**IG Interactive Entertainment Limited**

**Notes to the financial statements  
for the year ended 31 March 2011**

..... continued

**2. Turnover**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Geographical market</b>		
UK	1,365,839	593,769
Rest of the World	<u>456,685</u>	<u>123,416</u>
	<u><u>1,834,953</u></u>	<u><u>717,185</u></u>

Turnover attributable to geographical markets outside the United Kingdom amounted to 26% for the year.

**3. Operating loss**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Operating loss is stated after charging:		
Depreciation and other amounts written off tangible assets	-	1,131
Net foreign exchange loss	1,384,254	-
Auditors' remuneration (Note 4)	8,000	11,500
Auditors' remuneration from non-audit work (Note 4)	<u>20,100</u>	<u>22,755</u>
and after crediting:		
Net foreign exchange gain	<u><u>-</u></u>	<u><u>33,842</u></u>

**4. Auditors' remuneration**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration - audit of the financial statements	<u>8,000</u>	<u>11,500</u>
Auditors' remuneration - other fees:		
- Other services	<u>20,100</u>	<u>22,755</u>

**5. Interest receivable and similar income**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Group interest	<u>757,818</u>	<u>733,188</u>

**IG Interactive Entertainment Limited**

**Notes to the financial statements  
for the year ended 31 March 2011**

..... continued

<b>6. Interest payable and similar charges</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
On amounts payable to group companies	352,680	276,527
On bank loans and overdrafts	-	70,177
	<u>352,682</u>	<u>346,704</u>
<b>7. Employees</b>		
<b>Number of employees</b>	<b>2011</b>	<b>2010</b>
The average monthly numbers of employees (including the directors) during the year were:		
Administration	<u>3</u>	<u>3</u>
<b>Employment costs</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Wages and salaries	47,666	43,896
Social security costs	5,157	4,180
	<u>52,823</u>	<u>48,076</u>
<b>7.1. Directors' remuneration</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Remuneration and other emoluments	<u>-</u>	<u>1,200</u>

**IG Interactive Entertainment Limited**

**Notes to the financial statements  
for the year ended 31 March 2011**

..... continued

**8. Tax on loss on ordinary activities**

<b>Analysis of charge in period</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax	-	7,036
Adjustments in respect of previous periods	6	-
	<u>6</u>	<u>7,036</u>
Double tax relief	9,260	-
	<u>9,266</u>	<u>7,036</u>

**Factors affecting tax charge for period**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (28.00 per cent). The differences are explained below:

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Loss on ordinary activities before taxation	<u>(1,015,379)</u>	<u>(1,396,495)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.00% (31 March 2010 : 28.00%)	(284,306)	(391,019)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	-	397,796
Capital allowances for period in excess of depreciation	-	280
Adjustments to tax charge in respect of previous periods	(6)	-
Income not taxable	-	(21)
Double tax relief	9,260	-
Loss carried back	1,035	-
Loss carried forward	283,283	-
Current tax charge for period	<u>9,266</u>	<u>7,036</u>

**IG Interactive Entertainment Limited**

**Notes to the financial statements  
for the year ended 31 March 2011**

..... continued

<b>9. Tangible fixed assets</b>	<b>Fixtures, fittings and equipment £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 April 2010	1,381	1,381
At 31 March 2011	<u>1,381</u>	<u>1,381</u>
<b>Depreciation</b>		
At 1 April 2010	1,381	1,381
At 31 March 2011	<u>1,381</u>	<u>1,381</u>
At 31 March 2011	-	-

<b>10. Fixed asset investments</b>	<b>Subsidiary undertakings shares £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 April 2010		
At 31 March 2011	25,999,804	25,999,804
<b>Net book values</b>		
At 31 March 2011	<u>25,999,804</u>	<u>25,999,804</u>
At 31 March 2010	<u>25,999,804</u>	<u>25,999,804</u>

**IG Interactive Entertainment Limited**

**Notes to the financial statements  
for the year ended 31 March 2011**

..... continued

**10.1. Holdings of 20% or more**

The company holds 20% or more of the share capital of the following companies:

<b>Company</b>	<b>Country of registration or incorporation</b>	<b>Nature of business</b>	<b>Shares held class</b>	<b>Proportion of shares held</b>
<b>Subsidiary undertaking</b>				
Ignition Entertainment Limited	UK	Development and distribution of computer games	Ordinary Shares	89.58%

**11. Stocks**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Finished goods and goods for resale	8,562	7,502
	<u>8,562</u>	<u>7,502</u>

**12. Debtors**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Trade debtors	204,037	40,108
Amounts owed by group undertakings	20,692,276	7,769,033
Other debtors	1,450,516	1,454,557
Prepayments and accrued income	4,936	5,025
	<u>22,351,765</u>	<u>9,268,723</u>



**IG Interactive Entertainment Limited**

**Notes to the financial statements  
for the year ended 31 March 2011**

..... continued

<b>13. Creditors: amounts falling due within one year</b>	<b>2011</b> <b>£</b>	<b>2010</b> <b>£</b>
Trade creditors	43,243	11,955
Amounts owed to group undertaking	11,120,314	3,227,435
Amounts owed to connected companies	-	5,677
Corporation tax	-	1,034
Other taxes and social security costs	103,050	3,665
Other creditors	120,617	130,115
Accruals and deferred income	77,363	26,235
	<u>11,464,587</u>	<u>3,406,116</u>
<b>14. Creditors: amounts falling due after more than one year</b>	<b>2011</b> <b>£</b>	<b>2010</b> <b>£</b>
Amounts owed to parent undertaking	6,030,230	11,579,704
	<u>6,030,230</u>	<u>11,579,704</u>
<b>15. Share capital</b>	<b>2011</b> <b>£</b>	<b>2010</b> <b>£</b>
<b>Authorised</b>		
3,000,000 Ordinary shares of £1 each	3,000,000	3,000,000
97,000,000 Preference shares of £1 each	97,000,000	97,000,000
	<u>100,000,000</u>	<u>100,000,000</u>
<b>Allotted, called up and fully paid</b>		
10,000 Ordinary shares of £1 each	10,000	10,000
33,348,600 Preference shares of £1 each	33,348,600	21,768,895
	<u>33,358,600</u>	<u>21,778,895</u>
<b>Equity Shares</b>		
10,000 Ordinary shares of £1 each	10,000	10,000
33,348,600 Preference shares of £1 each	33,348,600	21,768,895
	<u>33,358,600</u>	<u>21,778,895</u>

**IG Interactive Entertainment Limited**

**Notes to the financial statements  
for the year ended 31 March 2011**

..... continued

<b>16. Equity Reserves</b>	<b>Profit and loss account £</b>	<b>Total £</b>
<b>At 1 April 2010</b>	(1,367,216)	(1,367,216)
Loss for the year	(1,024,645)	(1,024,645)
<b>At 31 March 2011</b>	<u>(2,391,861)</u>	<u>(2,391,861)</u>

<b>17. Reconciliation of movements in shareholders' funds</b>	<b>2011 £</b>	<b>2010 £</b>
Loss for the year	(1,024,645)	(1,403,531)
Proceeds of issue of non-equity shares	11,579,705	-
	<u>10,555,060</u>	<u>(1,403,531)</u>
Opening shareholders' funds	20,411,679	21,815,210
Closing shareholders' funds	<u>30,966,739</u>	<u>20,411,679</u>

**18. Financial commitments**

At 31 March 2011 the company had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>	
	<b>2011 £</b>	<b>2010 £</b>
<b>Expiry date:</b>		
Within one year	<u>3,625</u>	<u>3,417</u>

**IG Interactive Entertainment Limited**

**Notes to the financial statements  
for the year ended 31 March 2011**

..... continued

**19. Contingent liabilities**

(a) As of March 31, 2011, the company has guaranteed working capital loans secured by its parent company from a group of eleven lenders represented by its security Trustee, SBI capital Trust Ltd, Mumbai, India, for a sanctioned limit of INR 4245.00 million (previous year INR 4245.00 million). The company has also granted security interest on the assets (accounts receivable, inventory, goods, equipment and fixtures) of the company in favor of the lenders.

(b) As of March 31, 2011, the company has also guaranteed non-convertible debenture loans secured by its parent company from Life Insurance Corporation of India, for an amount of INR 1000.00 million (previous year INR 1000.00 million).

(c) As of March 31, 2011, the company has also guaranteed the credit facilities by way of Term Loan secured by its parent company from Export - Import Bank of India, for an amount of US\$15.00 million (previous year US\$15.00 million).

(d) As of March 31, 2011, the company has also guaranteed the credit facilities by way of Standby Letters of Credit / Bank Guarantee secured by its sister company from DBS Bank Ltd, for an amount of US\$10.00 million (previous year \$10.00 million), from Standard Chartered Bank , for an amount of \$15.00 million (previous year \$15.00 million), from Axis bank Ltd, for an amount of \$10.00 million (previous year \$10.00 million) and Bank of Baroda, for an amount of \$15.00 million (previous year Nil).

(e) The company has also given guarantee to a finance company in respect of rental agreement entered into by its subsidiary, Ignition Entertainment Limited. The amount of guarantee remaining as on 31 March 2011 is £23,881.

**20. Ultimate parent undertaking**

The company's parent undertaking at the balance sheet date was UTV Software Communications Limited, a company incorporated in India, which consolidates the results of the company. The consolidated accounts of UTV Software Communications Limited can be obtained from their registered office at 1181-1182, Solitaire Corporate Park, Guru Hargovindji Marg, Chakala Andheri(E) Mumbai 400 093, India.

**IG Interactive Entertainment Limited**

**Notes to the financial statements  
for the year ended 31 March 2011**

..... continued

**21. Gross cash flows**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	757,818	733,188
Interest paid	(352,682)	(346,704)
	<u>405,136</u>	<u>386,484</u>
<b>Taxation</b>		
Corporation tax paid	(10,301)	(8,900)
<b>Capital expenditure</b>		
Payments to acquire tangible assets	-	(131)
<b>Acquisitions and disposals</b>		
Receipts on disposal of group interests	-	3,774,848
Payments on acquisition of group interests	-	(18,787,872)
	<u>-</u>	<u>(15,013,024)</u>
<b>Financing</b>		
Issue of preference share capital	11,579,705	-
Other new long term loans	-	11,579,704
Repayment of short term bank loan	-	(7,342,657)
	<u>11,579,705</u>	<u>4,237,047</u>

**22. Analysis of changes in net funds**

	<b>Opening balance</b>	<b>Cash flows</b>	<b>Closing balance</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	<u>121,471</u>	<u>(20,046)</u>	<u>101,425</u>
Debt due after one year	(11,579,704)	5,549,474	(6,030,230)
<b>Net funds</b>	<u>(11,458,233)</u>	<u>5,529,428</u>	<u>(5,928,805)</u>

**IG Interactive Entertainment Limited**

**Notes to the financial statements  
for the year ended 31 March 2011**

..... continued

**23. Related party transactions**

At the year end the company was owed by a related undertaking, UTV Communications (USA) LLC £7,303,364.

During the year the company had financial transactions with its parent undertaking, UTV Software Communications Limited and at the balance sheet date £17,150,544 was due to this company.

During the year the company had financial transactions with Ignition Entertainment Limited and at the balance sheet date £6,405,672 was due from this company.

During the year the company had financial transactions with Ignition Entertainment Limited (USA) and at the balance sheet date £6,983,240 was due from this company.

**IG Interactive Entertainment Limited**

**The following pages do not form part of the statutory accounts.**

**IG Interactive Entertainment Limited**

**Detailed trading profit and loss account  
and expenses schedule  
for the year ended 31 March 2011**

	2011		2010	
	£	£	£	£
<b>Sales</b>				
Sales - share of box office collection		1,302,983		530,891
Sale of DVDs - UK		62,856		62,878
Sales of Theatrical/VCD/Other rights - Europe		12,429		-
Sale of Theatrical/VCD/Other rights -(ROW)		456,685		123,416
		<u>1,834,953</u>		<u>717,185</u>
 <b>Cost of sales</b>				
Opening stock	7,502		202,606	
Cost of rights,publicity and logistics	814,721		470,344	
Cost of prints	255,855		203,268	
Cost of DVDs	31,361		17,402	
Film classification cost	-		825	
Producers shares	661,554		90,862	
	<u>1,770,993</u>		<u>985,307</u>	
 Closing stock	<u>(8,562)</u>		<u>(7,502)</u>	
		<u>(1,762,431)</u>		<u>(977,805)</u>
<b>Gross profit/(loss)</b>		72,522		(260,620)
<b>Administrative expenses</b>				
Wages and salaries	47,666		42,696	
Directors' remuneration	-		1,200	
Employer's NI contributions	5,157		4,180	
Rent	8,692		8,955	
Rates	3,726		4,074	
Cleaning	170		180	
Repairs and maintenance	-		9	
Printing, postage and stationery	424		122	
Telephone	1,875		2,307	
Travelling and entertaining	6,020		5,156	
Legal and professional	4,960		24,103	
Accountancy	20,100		22,755	
Audit	8,000		11,500	
Bank charges	1,750		1,564	
Profit/loss on exchange	1,384,256		(33,842)	
Trade marks costs	-		4,504	
General expenses	241		1,253	
Loans written off	-		70,405	
Depreciation on fixtures & equipment	-		1,131	

**IG Interactive Entertainment Limited**

**Detailed trading profit and loss account  
and expenses schedule  
for the year ended 31 March 2011**

	2011		2010	
	£	£	£	£
		1,493,037		172,252
<b>Other operating income</b>				
HMRC online filing tax free incentive	-		75	
Loss on sale of investments	-		(1,350,182)	
		-		(1,350,107)
<b>Operating loss</b>		(1,420,515)		(1,782,979)
<b>Other income and expenses</b>				
Group interest	757,818		733,188	
		757,818		733,188
<b>Interest payable</b>				
Group interest	352,680		458,421	
Bank interest	-		70,177	
Interest on loans repayable in less than 5 years	-		(181,894)	
Interest on overdue tax	2		-	
		(352,682)		(346,704)
<b>Net loss for the year</b>		(1,015,379)		(1,396,495)