Light Media Holdings, Inc. (OTC: LGMH)

Notes to Financial Statements For The Quarterly-Period Ending September 30, 2014

NOTE A – Summary of Significant Accounting Policies

This summary of significant accounting principles of Light Media Holdings, Inc. is presented to assist in understanding the Company's financial statements. These accounting policies consistently conform to generally accepted accounting principles.

1. Accounting Basis: These financial statements have been prepared in accordance with generally accepted accounting principles.

2. Dividends: The Company has not adopted a policy regarding the payment of dividends.

3. Cash and Cash Equivalents: All highly liquid investments with original maturities of three months or less at the date of acquisition are considered cash equivalents. These investments primarily consist of money market funds and commercial paper.

4. Revenue: The Company's revenues are derived from media sales through distributors. The company recognizes income on the cash receipts when earned.

5. Accounts Receivable: The Company records revenues when earned. Due to the nature of the business distributors retain a reserve of funds to offset distribution expense. The net of these funds are returned to the company. The reserves are retained to offset expense is recorded as expense to the company in the period incurred.

6. Credit Risk: Financial Instruments that potentially subject the company to concentrations of credit risk consist principally of cash accounts in financial institutions, which may from time to time exceeds the Federal depository insurance coverage limit.

7. Property and Equipment: Property and equipment is stated at cost, less accumulated depreciation and amortization. Depreciation and amortization computed using straight-line method over the estimated useful lives of the assets. When the assets are retired or otherwise disposed of, the cost and related depreciation are removed and any gain or loss is reflected in the results of operations. Maintenance and repair expenditures are charged to operations as incurred.

8. Stockholder's Equity: In accordance with SFAS 123, the issuance of stock as payment for services was recorded as an increase in equity and a current year expense.

9. General and Administrative Expenses: General and administrative expenses consist of primarily occupancy expense, professional fees, office expense, travel, and advertising. Following this offering, we will incur additional general and administrative expenses related to operating as a public company, such as increased legal and accounting fees, personnel and benefit expenses, and investor relation costs.

10. Income Taxes: Under the Tax Reformed Act of 1986, the benefits from net operating losses carried forward may be impaired or limited in certain circumstances. The company makes no provisions for such benefits and reports only the actual income tax expense in the income statement.

11. Advertising Costs: Advertising cost is expensed as incurred.