

INGENIOUS VENTURES LIMITED

REPORT AND FINANCIAL STATEMENTS

15 MONTH PERIOD ENDED 30 JUNE 2015

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COMPANIES HOUSE

Company Registration Number
04018420 (England and Wales)

INGENIOUS VENTURES LIMITED

Directors J L Boyton
N A Forster
D M Reid

Company Secretary S J Cruickshank

Registered Office 15 Golden Square
London
W1F 9JG

Registered Number 04018420 (England and Wales)

Auditor Deloitte LLP
Chartered Accountants
Hill House
1 Little New Street
London
EC4A 3TR

Business Address 15 Golden Square
London
W1F 9JG

Banker Barclays Bank plc
1 Churchill Place
London
E14 5HP

INGENIOUS VENTURES LIMITED

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**DIRECTORS' REPORT
30 JUNE 2015**

The directors present the Report and Financial Statements of Ingenious Ventures Limited ("the Company") for the period from 6 April 2014 to 30 June 2015 ("the period").

Principal activity

The Company is a wholly-owned subsidiary of Ingenious Media Limited, which is a wholly-owned subsidiary within the Ingenious Media Holdings plc group ("the Group").

The Company's principal activities is the provision of investment and advisory services to the media and entertainment industries.

The Group manages its operations on a divisional basis. For this reason, the Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of its development, performance or position.

The directors consider the results for the period and the financial position at the end of it to be satisfactory.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position have been reviewed by the directors. At the period ended 30 June 2015 the Company had net current liabilities of £152k. Despite this position, as part of the Group, the Company is expected to continue to generate positive cash flows on its own account for the foreseeable future and the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

As explained in Note 15, HMRC may be empowered to issue accelerated payment notices requiring payments of tax in certain circumstances. At present no such notices have been received but the directors consider it possible that they may be received in the future and have therefore disclosed this as a contingent liability. The exact amount of any accelerated payment notice cannot be known until received (if indeed any are received at all).

If any amount of tax charged in a notice from HMRC is in excess of the current assets of the Company, the directors would need to assess the options available to them. Until such time as any accelerated payment notice is received (if indeed any are received at all), the directors are unable to assess the impact, if any, on the future prospects of the Company. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern, and therefore it may be unable to realise its assets or discharge its liabilities in the normal course of business.

Notwithstanding this material uncertainty, directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Results and dividends

The results for the period are set out on page 6.

No interim dividend was declared during the period (year ended 5 April 2014 - £0.5m). The directors do not propose to pay a final dividend (year ended 5 April 2014 - £nil).

DIRECTORS' REPORT (continued)
30 JUNE 2015

Directors

The directors in office during the year and subsequently were as follows:

J L Boyton	
N A Forster	18 August 2008
D M Reid	

Provision of insurance to directors

All directors were covered by Directors and Officers liability insurance throughout the period under review and this will continue to remain in force.

Principal risks and uncertainties

Damage to reputation and market risk are continuing risks for the Company. The Company mitigates these risks by ensuring that an effective control environment operates within the Company and by maintaining strong client relationships. The risks of the Group are discussed in the Ingenious Media Holdings plc Report and Financial Statements.

Financial risk management

The Company is exposed to financial risk through its financial assets and liabilities. The most important components of financial risk are:

(a) Credit risk

The settlement of trade debtors is the Company's primary credit risk. The corresponding debtor position in the Company's Balance Sheet is monitored regularly.

(b) Price risk

The current or prospective risk to earnings or capital arising from adverse movements in the value of funds managed or investments held.

Creditors payment policy

The Company does not follow any specific code or standard on payment of creditors. The Company agrees the payment terms as part of the commercial arrangement negotiated with suppliers. Payments are made on these terms provided the supplier meets its obligations.

Statement of directors' responsibilities

The directors are responsible for preparing the Reports and Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. 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). 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 the financial statements, the directors are required to:

DIRECTORS' REPORT (continued)
30 JUNE 2015

Statement of Directors' Responsibilities (continued)

- 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 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 to 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that so far as the director is aware there is no relevant audit information of which the Company's auditor is unaware and the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

In the absence of a notice proposing that the appointment be terminated, the auditor, Deloitte LLP, will be deemed to be re-appointed in accordance with section 487 of the Companies Act 2006.

Small company provision

This Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. The Company has taken advantage of the exemption for the requirement to disclose an enhanced business review and to prepare a strategic report in accordance with section 414B of the Companies Act 2006.

Approved by the board of directors and signed on its behalf by:



N A Forster

Director

Date: 31/3/2016

Registered office
15 Golden Square
London
W1F 9JG

Company Registration Number: 04018420 (England and Wales)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INGENIOUS VENTURES LIMITED

We have audited the financial statements of Ingenious Ventures Limited for the period ended 30 June 2015 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Accounting Policies and the related notes 1 to 15. 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 audit 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 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 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 directors and auditor

As explained more fully in the statement of directors' responsibilities, 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. In addition, we read all the financial and non-financial information in the report to identify material inconsistencies with the audited financial statements and to identify information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 Company's affairs as at 30 June 2015 and of its profit for the period 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 Companies Act 2006.

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in the Statement of Accounting Policies concerning the company's ability to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INGENIOUS VENTURES LIMITED (continued)

Emphasis of matter - Going concern (continued)

As explained more fully in the Statement of Accounting Policies, HMRC may be empowered to issue accelerated payment notices requiring payments of tax in certain circumstances. If any amount of tax charged in a notice from HMRC is in excess of the current assets of the Company, the directors would need to assess the options available to them. These conditions, along with the other matters explained in the Statement of Accounting Policies, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period 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; or
- the directors were not entitled to take advantage of the small companies exemption from preparing a Strategic Report or in preparing the Directors' Report.



Calum Thomson (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditors

London, United Kingdom

Date: 31.3.16

PROFIT AND LOSS ACCOUNT
PERIOD ENDED 30 JUNE 2015

	Notes	Period ended 30 June 2015 £ '000s	Year ended 5 April 2014 £ '000s
Administrative expenses		<u>(3)</u>	<u>(3)</u>
Operating loss	1	(3)	(3)
Share of profits from partnerships	5	126	121
Profit from other interests	5	-	38
Interest payable and similar charges	3	<u>(266)</u>	<u>(259)</u>
Loss on ordinary activities before taxation		(143)	(103)
Taxation	4	<u>245</u>	<u>326</u>
Profit for the financial period/year	11	102	223

The accounting policies and notes to the financial statements on pages 8 to 15 form an integral part of the financial statements.

All of the Company's turnover and operating loss is derived from continuing operations during the current period and prior year.

The Company has no recognised gains and losses other than those shown above and therefore no separate Statement of Total Recognised Gains and Losses has been presented.

INGENIOUS VENTURES LIMITED

BALANCE SHEET AS AT 30 JUNE 2015

	Notes	30 June 2015 £ '000s	5 April 2014 £ '000s
Fixed assets			
Fixed asset investments	5	<u>3,344</u>	<u>5,402</u>
Current assets			
Debtors	6	<u>1,163</u>	<u>1,321</u>
Cash at bank and in hand		<u>13</u>	<u>16</u>
		1,176	1,337
Creditors: amounts falling due within one year	7	<u>(1,328)</u>	<u>(1,436)</u>
Net current liabilities		<u>(152)</u>	<u>(99)</u>
Total assets less current liabilities		3,192	5,303
Creditors: amounts falling due after more than one year	8	<u>(1,732)</u>	<u>(3,700)</u>
Provision for liabilities and charges	9	<u>(681)</u>	<u>(926)</u>
Net assets		<u>779</u>	<u>677</u>
Capital and reserves			
Called up share capital	10	<u>31</u>	<u>31</u>
Profit and loss account	11	<u>748</u>	<u>646</u>
Shareholder's funds	12	<u>779</u>	<u>677</u>

The accounting policies and notes to the financial statements on pages 8 to 15 form an integral part of the financial statements.

The financial statements were approved by the board of directors and authorised for issue on **31/3/** 2016.

They were signed on behalf of the board of directors by:



N A Forster
Director

Company Registration Number: 04018420 (England and Wales)

STATEMENT OF ACCOUNTING POLICIES

PERIOD ENDED 30 JUNE 2015

The principal accounting policies are summarised below. They have been applied consistently throughout the current period and the preceding year.

Basis of accounting

The Report and Financial Statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position have been reviewed by the directors. At the period ended 30 June 2015 the Company had net current liabilities of £152k. Despite this position, as part of the Group, the Company is expected to continue to generate positive cash flows on its own account for the foreseeable future and the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

As explained in Note 15, HMRC may be empowered to issue accelerated payment notices requiring payments of tax in certain circumstances. At present no such notices have been received but the directors consider it possible that they may be received in the future and have therefore disclosed this as a contingent liability. The exact amount of any accelerated payment notice cannot be known until received (if indeed any are received at all).

If any amount of tax charged in a notice from HMRC is in excess of the current assets of the Company, the directors would need to assess the options available to them. Until such time as any accelerated payment notice is received (if indeed any are received at all), the directors are unable to assess the impact, if any, on the future prospects of the Company. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern, and therefore it may be unable to realise its assets or discharge its liabilities in the normal course of business.

Notwithstanding this material uncertainty, directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Cash flow statement

The financial statements do not include a cash flow statement because the Company, as a wholly-owned subsidiary, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 '*Cash Flow Statements*'.

Investments

Interests in partnerships and undertakings

Fixed asset investments in partnerships are stated at cost adjusted for allocated profit/(loss) and drawings as at the period end. The allocated partnership's profit and loss is included in the Profit and Loss Account, under the caption 'Share of profits from partnerships'.

Accounting period

The Company has changed its financial year end from 5 April to 30 June to align with group accounting policy. The financial statements are stated as at 30 June with a 15 month period of financial performance. Comparative figures are stated as at 5 April 2014 for the 12 month period ended as at that date.

STATEMENT OF ACCOUNTING POLICIES (continued)
PERIOD ENDED 30 JUNE 2015

Taxation

Current tax, including United Kingdom corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax is provided in full on timing differences which results in an obligation at the Balance Sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2015

1. Operating loss

	Period ended 30 June 2015 £ '000s	Year ended 5 April 2014 £ '000s
<hr/> This is stated after charging:		
Fees for the audit of the Company	3	3

2. Staff costs and directors' remuneration

The Company incurred no staff costs nor paid any remuneration to its directors during the period (year ended 5 April 2014: £nil). The Company had no employees during the current period and prior year.

The emoluments of the directors were paid and borne by other Group undertakings and none of their remuneration was specifically attributable to their services to the Company.

3. Interest payable and similar charges

	Period ended 30 June 2015 £ '000s	Year ended 5 April 2014 £ '000s
Interest payable on bank loans	266	259

Terms related to bank loans are disclosed in note 8.

NOTES TO THE FINANCIAL STATEMENTS (continued)
30 JUNE 2015

4. Taxation

The tax charge/(credit) on the loss on ordinary activities for the period/year was as follows:

	Period ended 30 June 2015 £ '000s	Year ended 5 April 2014 £ '000s
UK Corporation tax at 21% for the period from 6 April 2014 to 31 March 2015 and 20% for the period from 1 April 2015 to 30 June 2015 (23% for the period from 6 April 2013 to 31 March 2014 and 21% for the period from 1 April 2014 to 5 April 2014) based on the adjusted results for the period/year	-	-
Current tax charge	-	-
Deferred tax adjustment in respect of prior years (note 9)	59	-
Adjustment for change in the rate of corporation tax to 19% (note 9)	(36)	-
Deferred tax credit for the period/year (note 9)	(268)	(326)
	(245)	(326)

Factors affecting tax charge/(credit) for the period/year:

	Period ended 30 June 2015 £ '000s	Year ended 5 April 2014 £ '000s
Loss on ordinary activities before taxation	(143)	(103)
Loss on ordinary activities for the period multiplied by standard rate of corporation tax in the UK of 21% for the period from 6 April 2014 to 31 March 2015 and 20% for the period from 1 April 2015 to 30 June 2015 (23% for the period from 6 April 2013 to 31 March 2014 and 21% for the period from 1 April 2014 to 5 April 2014) based on the adjusted results for the period/year	(30)	(24)
Effects of:		
Adjustment in respect of investment in film finance partnerships	253	187
Group relief claimed	(223)	(163)
Current tax charge	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)
30 JUNE 2015

5. Fixed asset investments

	30 June 2015 £ '000s	5 April 2014 £ '000s
Share of net assets		
Balance brought forward	5,402	6,531
Additions		
Drawings	(2,184)	(1,288)
Share of profits	126	159
Balance carried forward	3,344	5,402

The share of net assets in partnerships represents investments in unincorporated trading partnerships investing in British films.

The Company is a partner in Pall Mall Film Partners and owns 37.0% (year ended 5 April 2014: 37.0%) of the partnership capital. The partnership was formed to invest in a portfolio of films. Its place of business and head office is 15 Golden Square, London, W1F 9JG, United Kingdom. The Company's profit entitlement is £61,230 for the year ended 5 April 2015 (year ended 5 April 2014: £73,471). This interest represents an investment in a qualifying film partnership. Management do not consider the partnership to be an associate as defined in Financial Reporting Standard 9 'Associates and joint Ventures' as the Company has no significant influence over the operating and financial policies.

The Company is a partner in Amber Film Partners and owns 7.7% (year ended 5 April 2014: 7.7%) of the partnership capital. The partnership was formed to invest in a portfolio of films. Its place of business and head office is 15 Golden Square, London, W1F 9JG, United Kingdom. The Company's profit entitlement is £33,456 for the year ended 5 April 2015 (year ended 5 April 2014: £47,953). This interest represents an investment in a qualifying film partnership.

The Company is a partner in Gemini Film Partners and owns 6.8% (year ended 5 April 2014: 6.8%) of the partnership capital. The partnership was formed to invest in a portfolio of films. Its place of business and head office is 15 Golden Square, London, W1F 9JG, United Kingdom. The Company's profit entitlement is £31,193 for the year ended 5 April 2015 (year ended 5 April 2014: £37,395). This interest represents an investment in a qualifying film partnership.

6. Debtors

	30 June 2015 £ '000s	5 April 2014 £ '000s
Amounts falling due within one year:		
Amounts owed by Group companies	1,163	1,321
	1,163	1,321

NOTES TO THE FINANCIAL STATEMENTS (continued)
30 JUNE 2015

7. Creditors: amounts falling due within one year

	30 June 2015 £ '000s	5 April 2014 £ '000s
Bank loans due within one year	1,301	1,100
Amounts owed to Group companies	-	158
Accruals and deferred income	27	178
	1,328	1,436

Terms related to the bank loans are disclosed in note 8.

8. Creditors: amounts falling due after more than one year

	30 June 2015 £ '000s	5 April 2014 £ '000s
Due within one to two years	827	1,225
Due within two to five years	905	2,475
Bank Loans	1,732	3,700

The bank loans are secured by the Company's share of lease rental income receivable by partnerships in which the Company has made investments (note 5), and are repayable within 3 years. An average interest rate of 4.99% per annum (year ended 5 April 2014: 4.99% per annum) is payable on these loans.

9. Provisions for liabilities and charges

<i>Deferred taxation</i>	30 June 2015 £ '000s	5 April 2014 £ '000s
Balance brought forward	926	1,252
Deferred tax credit in Profit and Loss Account (note 4)	(268)	(326)
Prior year adjustment (note 4)	59	-
Adjustment for change in the rate of corporation tax to 19% (note 4)	(36)	-
Balance carried forward	681	926

The deferred tax provision arises due to the investment in British Film partnerships and will reverse by 2020.

NOTES TO THE FINANCIAL STATEMENTS (continued)
30 JUNE 2015

10. Called up share capital

	Allotted, called up and fully paid			
	30 June 2015		5 April 2014	
	£	No	£	No
Ordinary shares of £1 each	31,001	31,001	31,001	31,001

11. Statement of movements on Profit and Loss Account

	Profit and Loss account	
	30 June 2015 £ '000s	5 April 2014 £ '000s
Balance brought forward	646	923
Profit for the financial period/year	102	223
Dividends	-	(500)
Balance carried forward	748	646

12. Reconciliation of movements in shareholder's funds

	30 June 2015 £ '000s	5 April 2014 £ '000s
Profit for the financial period/year after taxation	102	223
Dividends	-	(500)
Net movement in shareholder's funds	102	(277)
Shareholder's funds brought forward	677	954
Shareholder's funds carried forward	779	677

13. Related party transactions

The financial statements do not include disclosure of transactions between the Company and entities that are part of the Group. This is because, as a subsidiary whose shares are wholly-owned within the Group, it is exempt from the requirement to disclose such transactions under Financial Reporting Standard 8 'Related Party Disclosures'. Under this standard disclosure is only required of material transactions with related parties that are not at arms length. There were no such transactions during the period.

NOTES TO THE FINANCIAL STATEMENTS (continued)
30 JUNE 2015

14. Controlling party

During the period ended 30 June 2015 the Company was a wholly-owned subsidiary of Ingenious Media Limited, a company registered in England and Wales. Ingenious Media Limited is a wholly-owned subsidiary of Ingenious Media Holdings plc, the ultimate parent company. Ingenious Media Holdings plc is the only parent undertaking for which Group accounts are prepared.

The consolidated financial statements of Ingenious Media Holdings plc can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The controlling shareholder of Ingenious Media Holdings plc was P A McKenna.

15. Contingent liability

On 17 July 2014 the Finance Bill 2014 received Royal Assent and under Chapter 3 of Part 4 of the Bill, HMRC is empowered to issue accelerated payment notices requiring taxpayers to make payments of tax in certain circumstances where there is tax in dispute, in advance of any resolution of that dispute. To date, no such notice has been received in respect of the Company but the directors consider that it is possible that in the future, the Company may be subject to an accelerated payment notice in respect of some or all of the tax years not yet agreed with HMRC. The exact amount of any accelerated payment notice cannot be known until received (if indeed any is received at all).