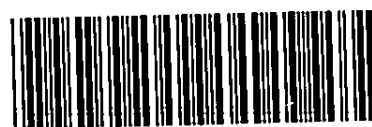


INGENIOUS GAMES SERVICES LIMITED

REPORT AND FINANCIAL STATEMENTS

5 APRIL 2008

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COMPANIES HOUSE

Company Registration Number
5718471 (England and Wales)

INGENIOUS GAMES SERVICES LIMITED

Directors P A McKenna
J L Boyton
N A Forster
D M Reid

Secretary S J Cruickshank

Registered Office 15 Golden Square
London
W1F 9JG

Registered Number 5718471 (England and Wales)

Auditors Deloitte LLP
Chartered Accountants
London

Business Address 15 Golden Square
London
W1F 9JG

Bankers HSBC Private Bank (UK) Limited
78 St. James's Street
London
SW1A 1JB

INGENIOUS GAMES SERVICES LIMITED

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DIRECTORS' REPORT**5 April 2008**

The Directors present their report and audited financial statements of the Company for the year ended 5 April 2008.

This Directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

Principal Activity and Review of the Business

The principal activity of the Company was that of the provision of services to the media and entertainment industry.

The Directors consider the results for the year and the financial position at the end of it to be in line with expectation and believe the Company is well positioned for the future.

Results and Dividends

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

Interim dividends paid during the year amounted to £200,000 at £200,000 per ordinary share (period ended 5 April 2007 - £1,000,000 at £1,000,000 per ordinary share). The Directors do not propose to pay a final dividend (period ended 5 April 2007 - £nil).

Directors

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

	Appointment date	Resignation date
J L Boyton		
S E Ford		09-May-08
N A Forster	18-Aug-08	
P A McKenna		
K T J Mead		31-Aug-07
R H Patel		22-Aug-07
D M Reid		

Creditors Payment Policy

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.

DIRECTORS' REPORT

5 April 2008

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulation.

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 the 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:

- 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 proper accounting records which 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 Acts. 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.

Auditors

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 auditors are 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 auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

In the absence of a notice proposing that the appointment be terminated, the auditors, Deloitte LLP, will be deemed to be re-appointed in accordance with Section 386 of the Companies Act 1985.

Approved by the board and signed on its behalf by



S J CRUICKSHANK

Secretary

27 January 2009

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF INGENIOUS GAMES SERVICES LIMITED

We have audited the financial statements of Ingenious Games Services Limited for the year ended 5 April 2008 which comprise the Profit and Loss Account, the Balance Sheet, Statement of Accounting Policies and the related notes 1 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 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 Directors and Auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Directors' Report.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Acts. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider whether it is consistent with the audited financial statements.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF INGENIOUS GAMES SERVICES LIMITED

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 5 April 2008 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



DELOITTE LLP

Chartered Accountants and Registered Auditors

London, UK

29 January 2009

PROFIT AND LOSS ACCOUNT
Year ended 5 April 2008

	Notes	Year ended 05 April 2008 £ '000s	Period ended 05 April 2007 £ '000s
Administrative expenses		<u>(83)</u>	<u>(7)</u>
Operating loss	1	(83)	(7)
Interest receivable and similar income	3	-	2
Interest payable and similar charges	4	<u>-</u>	<u>(7)</u>
Loss on ordinary activities before taxation		(83)	(12)
Taxation	5	<u>-</u>	<u>-</u>
Loss on ordinary activities after taxation	10	(83)	(12)

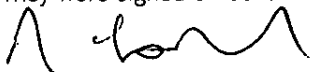
All of the Company's results are derived from continuing operations during the current year and prior periods.

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.

BALANCE SHEET
As at 5 April 2008

	Notes	Year ended 5 April 2008 £ '000s	Period ended 5 April 2007 £ '000s
Fixed assets			
Investments	6	<u>1</u>	<u>1</u>
Current assets			
Debtors	7	823	823
Cash at bank and in hand		<u>3</u>	<u>3</u>
		826	826
Creditors: Amounts falling due within one year	8	<u>(875)</u>	<u>(592)</u>
Net current (liabilities)/assets		<u>(49)</u>	<u>234</u>
Total assets less current liabilities		<u>(48)</u>	<u>235</u>
Net (liabilities)/assets		<u>(48)</u>	<u>235</u>
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account	10	<u>(48)</u>	<u>235</u>
Shareholders' (deficit)/funds	11	<u>(48)</u>	<u>235</u>

The financial statements were approved by the Board and authorised for issue on 27 January 2009.
They were signed on behalf of the Board of directors by:



N A Forster

Director

27 January

2009

STATEMENT OF ACCOUNTING POLICIES
YEAR ENDING 5 April 2008

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

Basis of accounting

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

The Company's business activities and key risks are set out in the Directors' Report. As part of the Ingenious group, the Directors believe that the Company is well placed to manage its business risks despite the current uncertain economic outlook.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Turnover

Turnover represents amounts receivable for services provided in the normal course of business, net of VAT.

Cash flow

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

Fixed asset investments in partnerships are stated at the share of net assets at the year end. The share of the partnerships' operating profit or loss is included in the profit and loss account.

Trade loans

Trade loans are recorded at the full extent of their legal liability at the date that the loan agreement was signed, less any repayments made.

**STATEMENT OF ACCOUNTING POLICIES
YEAR ENDING 5 April 2008**

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 result 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 accounts.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

NOTES TO THE ACCOUNTS
YEAR ENDING 5 April 2008

1. Operating Loss

	Year ended 05 April 2008 £ '000s	Period ended 05 April 2007 £ '000s
<hr/> This is stated after charging:		
Fees for the audit of the Company - current auditor	3	3
Fees for the audit of the Company - previous auditor	-	2

Fees payable to the Company's auditor, Deloitte LLP, and their associates for non-audit services provided to the Company are disclosed in the group consolidated financial statements.

2. Staff costs & Directors' remuneration

The Company incurred no staff costs nor paid any remuneration to its directors during the year. The Company had no employees during the year.

The emoluments of 4 directors were paid and borne by other Ingenious group undertakings and none of their remuneration was specifically attributable to their services to the Company.

3. Interest receivable and similar income

	Year ended 05 April 2008 £ '000s	Period ended 05 April 2007 £ '000s
Bank interest	-	2

4. Interest payable and similar charges

	Year ended 05 April 2008 £ '000s	Period ended 05 April 2007 £ '000s
Interest payable to group undertakings	-	7

NOTES TO THE ACCOUNTS
YEAR ENDING 5 April 2008

5. Taxation

The tax charge on the loss on ordinary activities for the year was as follows:

	Year ended 05 April 2008 £ '000s	Period ended 05 April 2007 £ '000s
UK Corporation tax at 30% (period ended 5 April 2007 - 30%) based on the adjusted results for the year	-	-
Current tax credit	-	-

Factors affecting tax charge for the year:

	Year ended 05 April 2008 £ '000s	Period ended 05 April 2007 £ '000s
Loss on ordinary activities before taxation	(83)	(12)
Loss on ordinary activities for the year multiplied by standard rate of corporation tax in the UK of 30% (period ended 5 April 2007 - 30%)	(25)	(4)
Effects of:		
Group relief surrendered	25	4
Current tax charge	-	-

NOTES TO THE ACCOUNTS
YEAR ENDING 5 April 2008

6. Fixed Asset Investments

	05 April 2008 £ '000s	05 April 2007 £ '000s
Share of Net Assets		
At 6 April 2007 and at 5 April 2008	<u>1</u>	<u>1</u>

The investment represents an interest in Pall Mall Film Partners which had net assets at 5 April 2008 of £12.9m (period ended 5 April 2007: £13.6m) and a profit for the year ended 05 April 2008 of £0.3m (period ended 05 April 2007: £0.4m). The principal place of business of the partnership is 15 Golden Square, London, W1F 9JG.

This interest is an investment in a qualifying partnership. Since the partnership has been consolidated within the group accounts of the Company's ultimate parent undertaking, a copy of the accounts of Pall Mall Film Partners will not be appended to the copy of the Company's accounts to be sent to the Registrar of Companies in accordance with the exemptions of Section 242 of the Companies Act 1985.

7. Debtors

	05 April 2008 £ '000s	05 April 2007 £ '000s
Amounts falling due within one year:		
Trade debtors	<u>823</u>	<u>823</u>
	<u>823</u>	<u>823</u>

8. Creditors: amounts falling due within one year

	05 April 2008 £ '000s	05 April 2007 £ '000s
Amounts owed to group undertakings	792	587
Accruals and deferred income	<u>83</u>	<u>5</u>
	<u>875</u>	<u>592</u>

NOTES TO THE ACCOUNTS
YEAR ENDING 5 April 2008

9. Called up share capital

	Authorised 05 April 2008		05 April 2007	
	£	No	£	No
Ordinary Shares of £1 each	10,000	10,000	10,000	10,000
	Allotted, called up and fully paid			
	05 April 2008		05 April 2007	
	£	No	£	No
Ordinary Shares of £1 each issued at par	1	1	1	1

10. Statement of movements on profit and loss account

	Profit and loss account	
	£ '000s	£ '000s
Balance brought forward	235	1,247
Loss for the financial year/period	(83)	(12)
Dividends	(200)	(1,000)
Balance carried forward	(48)	235

11. Reconciliation of movements in shareholders' funds

	05 April 2008 £ '000s	05 April 2007 £ '000s
Loss for the financial year/period after taxation	(83)	(12)
Dividends	(200)	(1,000)
Net movement in shareholders' funds	(283)	(1,012)
Opening shareholders' funds	235	1,247
Closing shareholders' (deficit)/funds	(48)	235

**NOTES TO THE ACCOUNTS
YEAR ENDING 5 April 2008**

12. Related party transactions

The accounts do not include disclosure of transactions between the Company and entities that are part of the Ingenious Media Holdings plc group. This is because, as a subsidiary whose shares are more than 90% controlled within the group, it is exempt from the requirement to disclose such transactions, under Financial Reporting Standard 8 'Related Party Transactions'.

During the current year the Company received net Independent Producer fees of £nil (period ended 05 April 2007: £nil) from various Development Service Companies engaged by Ingenious Games Limited Liability Partnership. At the year end fees of £0.8m (period ended 5 April 2007: £0.8m) remain unpaid.

P A McKenna, J L Boyton and D M Reid, directors, are members of Ingenious Games Limited Liability Partnership, they are also directors and beneficial shareholders of Ingenious Media Holdings plc, the ultimate parent company of Ingenious Games Services Limited. Ingenious Games Limited, a fellow group company also holds 50% of the capital of the partnership. P A McKenna and D M Reid are also members of the partnership's Executive Committee.

13. Controlling party

During the year ended 5 April 2008 the Company was a wholly owned subsidiary of Ingenious Media Ltd (formerly Ingenious Media plc), a company registered in England and Wales. Ingenious Media Ltd 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, CF4 3UZ.

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