

# INGENIOUS GAMES SERVICES LIMITED

## REPORT AND FINANCIAL STATEMENTS

5 APRIL 2009



Company Registration Number  
5718471 (England and Wales)

## INGENIOUS GAMES SERVICES LIMITED

**Directors** J L Boyton  
M T Bugden  
J H M Clayton  
N A Forster  
D M Reid  
S J Speight

**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 2009

The directors present their Annual Report and audited Financial Statements of Ingenious Games Services Limited ("the Company") for the year ended 5 April 2009.

This Directors' Report has been prepared in accordance with the special provisions relating to small companies under the Companies Act 2006.

### 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.

Ingenious Media Holdings plc, the ultimate parent company, 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.

### Going concern

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Under the terms of the agreements, creditors falling due within one year will only become payable when the Company has received settlement of the outstanding debtors. In addition, the nature of the liabilities means that it is unlikely they will fall due for repayment within the next 12 months, despite the amount being contractually payable upon demand. The Company also expects to generate income from further exploitation of opportunities that arise in the video games market in the coming year. As a result, the Company will have sufficient resources to settle its liabilities as they fall due. Accordingly, they continue to adopt the going concern basis in preparing the report and Financial Statements.

### Results and dividends

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

Interim dividends paid during the year amounted to £nil (year ended 5 April 2008: £200,000 at £200,000 per ordinary share). The directors do not propose to pay a final dividend (year ended 5 April 2008: £nil).

### Directors

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

	Appointment date	Resignation date
J L Boyton		
M T Bugden	1 June 2009	
J H M Clayton	1 June 2009	
S E Ford		9 May 2008
N A Forster	18 August 2008	
P A McKenna		1 June 2009
D M Reid		
S J Speight	1 June 2009	

**DIRECTORS' REPORT (continued)**  
**5 April 2009**

**Principal risks**

Damage to reputation and market risk are continuing risks for the Company. The Company mitigates these risks by maintaining strong internal controls and retaining a wide range of relationships in the industry. Group risks are discussed in the Ingenious Media Holdings plc Annual Report.

**Financial risk management**

The Company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the Company has sufficient liquid resources to meet the operating needs of the business.

**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.

**Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and 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). 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 these 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; 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 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.

**DIRECTORS' REPORT (continued)**  
**5 April 2009**

**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 s418 of the Companies Act 2006.

On 1 December 2008 Deloitte & Touche LLP changed its name to Deloitte LLP.

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 s487 of the Companies Act 2006.

Approved by the board and signed on its behalf by



**S J CRUICKSHANK**

Secretary

25/11/2010

Registered office  
15 Golden Square  
London  
W1F 9JG

Company registration No. 5718471 (England and Wales)

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INGENIOUS GAMES SERVICES LIMITED**

We have audited the Financial Statements of Ingenious Games Services Limited for the year ended 5 April 2009 which comprise the Profit and Loss Account, the Balance Sheet, Statement of Accounting Policies and the related notes 1 to 13. 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 section 495 and 496 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 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**

As explained more fully in the Directors' Responsibilities Statement, 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 financial statements**

In our opinion the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 5 April 2009 and of its profit 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 AUDITORS' REPORT TO THE MEMBERS OF INGENIOUS GAMES SERVICES 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.



Calum Thomson (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
London, United Kingdom

Date 25 January 2010



**PROFIT AND LOSS ACCOUNT**  
**Year ended 5 April 2009**

	Notes	Year ended 05 April 2009 £ '000s	Year ended 05 April 2008 £ '000s
Administrative expenses		<u>(3)</u>	<u>(83)</u>
<b>Operating loss</b>	1	<b>(3)</b>	<b>(83)</b>
Interest receivable and similar income	3	<u>5</u>	<u>-</u>
<b>Profit / (loss) on ordinary activities before taxation</b>		<b>2</b>	<b>(83)</b>
Taxation	4	<u>-</u>	<u>-</u>
<b>Profit / (loss) on ordinary activities after taxation</b>	9	<b>2</b>	<b>(83)</b>

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

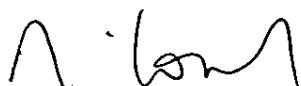
The Company has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

# INGENIOUS GAMES SERVICES LIMITED

## BALANCE SHEET As at 5 April 2009

	Notes	5 April 2009 £ '000s	5 April 2008 £ '000s
<b>Fixed assets</b>			
Investments	5	<u>1</u>	<u>1</u>
<b>Current assets</b>			
Debtors	6	136	823
Cash at bank and in hand		<u>6</u>	<u>3</u>
		142	826
<b>Creditors: Amounts falling due within one year</b>	7	<u>(189)</u>	<u>(875)</u>
<b>Net current liabilities</b>		<u>(47)</u>	<u>(49)</u>
<b>Total assets less current liabilities</b>		<u>(46)</u>	<u>(48)</u>
<b>Net liabilities</b>		<u>(46)</u>	<u>(48)</u>
<b>Capital and reserves</b>			
Called up share capital	8	-	-
Profit and loss account	9	<u>(46)</u>	<u>(48)</u>
<b>Shareholders' deficit</b>	10	<u>(46)</u>	<u>(48)</u>

The Financial Statements were approved by the board and authorised for issue on 25/1/2010.  
They were signed on behalf of the board of directors by:



**N A Forster**  
Director

2010

## STATEMENT OF ACCOUNTING POLICIES

Year ended 5 April 2009

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

### 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.

### Going concern

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 Financial Statements. Further details regarding the adoption of the going concern basis can be found in the Directors' Report.

The group has agreed to provide financial support to the Company, if required, for at least 12 months post approval of these 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.

### 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.

**STATEMENT OF ACCOUNTING POLICIES (continued)**

**Year ended 5 April 2009**

**Taxation (continued)**

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 Financial Statements.

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 FINANCIAL STATEMENTS**  
**Year ended 5 April 2009**

**1. Operating loss**

	<b>Year ended 05 April 2009 £ '000s</b>	<b>Year ended 05 April 2008 £ '000s</b>
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This is stated after charging:

Fees for the audit of the Company - current auditor	<b>4</b>	<b>3</b>
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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 (year ended 5 April 2008: £nil). The Company had no employees during the current 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 receivable and similar income**

	<b>Year ended 05 April 2009 £ '000s</b>	<b>Year ended 05 April 2008 £ '000s</b>
Bank interest	<b>5</b>	<b>-</b>

**4. Taxation**

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

	<b>Year ended 05 April 2009 £ '000s</b>	<b>Year ended 05 April 2008 £ '000s</b>
UK Corporation tax at 28% (year ended 5 April 2008 - 30%) based on the adjusted results for the year	<b>-</b>	<b>-</b>
Current tax credit	<b>-</b>	<b>-</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
Year ended 5 April 2009

4. Taxation (continued)

Factors affecting tax charge for the year:

	Year ended 05 April 2009 £ '000s	Year ended 05 April 2008 £ '000s
<b>Profit / (loss) on ordinary activities before taxation</b>	<b>2</b>	<b>(83)</b>
Profit / (loss) on ordinary activities for the year multiplied by standard rate of corporation tax in the UK of 28% (year ended 5 April 2008 - 30%)	1	(25)
Effects of:		
Group relief (utilised) / surrendered	(1)	25
<b>Current tax charge</b>	<b>-</b>	<b>-</b>

5. Fixed asset investments

	05 April 2009 £ '000s	05 April 2008 £ '000s
<b>Share of net assets</b>		
At 6 April 2008 and at 5 April 2009	1	1

The investment represents an interest in Pall Mall Film Partners (the "Partnership") which had net assets at 05 April 2009 of £12.2m (year ended 05 April 2008: £12.9m) and a profit for the year ended 05 April 2009 of £0.3m (year ended 05 April 2008: £0.3m). At the year end the Company held a 0.01% (year ended 5 April 2008: 0.01%) interest in the capital of the Partnership. The principal place of business of the Partnership is 15 Golden Square, London W1F 9JG, United Kingdom.

6. Debtors

	05 April 2009 £ '000s	05 April 2008 £ '000s
Amount owed by group undertaking	136	-
Trade debtors	-	823
	<b>136</b>	<b>823</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year ended 5 April 2009**

**7. Creditors: Amounts falling due within one year**

	05 April 2009 £ '000s	05 April 2008 £ '000s
Amounts owed to group undertakings	185	792
Accruals and deferred income	4	83
	<b>189</b>	<b>875</b>

**8. Called up share capital**

	05 April 2009		05 April 2008	
	£	No	£	No
Ordinary Shares of £1 each	10,000	10,000	10,000	10,000
	<b>Authorised</b>			
	05 April 2009		05 April 2008	
	£	No	£	No
Ordinary Shares of £1 each issued at par	1	1	1	1
	<b>Allotted, called up and fully paid</b>			
	05 April 2009		05 April 2008	
	£	No	£	No

**9. Statement of movements on profit and loss account**

	Profit and loss account	
	£ '000s	£ '000s
Balance brought forward	(48)	235
Profit / (loss) for the financial year	2	(83)
Dividends	-	(200)
<b>Balance carried forward</b>	<b>(46)</b>	<b>(48)</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year ended 5 April 2009**

**10. Reconciliation of movements in shareholders' deficit**

	05 April 2009 £ '000s	05 April 2008 £ '000s
Profit / (loss) for the financial year after taxation	2	(83)
Dividends	<u>-</u>	<u>(200)</u>
Net movement in shareholders' funds / (deficit)	2	(283)
Opening shareholders' (deficit) / funds	<u>(48)</u>	<u>235</u>
<b>Closing shareholders' deficit</b>	<b>(46)</b>	<b>(48)</b>

**11. Related party transactions**

The Financial Statements do not include disclosure of transactions between the Company and entities that are wholly-owned by the Ingenious Media Holdings plc group. This is because, as a subsidiary whose shares are wholly owned by the group, it is exempt from the requirement to disclose such transactions under Financial Reporting Standard 8 'Related Party Disclosures'.

During the current year the Company received net Independent Producer fees of £nil (year ended 05 April 2008: £nil) from various Development Service Companies engaged by Ingenious Games LLP. At the year end fees of £nil (year ended 5 April 2008: £0.8m) remain unpaid.

Ingenious Media Investments Limited acts as operator of the Partnership. The directors of the Company are also directors of Ingenious Media Investments Limited.

The directors consider the Partnership to be an associated undertaking of the Company.

**12. Controlling party**

During the year ended 5 April 2009 the Company was a wholly-owned subsidiary of Ingenious Media Ltd, 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 financial statements 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.



**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year ended 5 April 2009**

**13. Additional information on associated undertakings**

During the year the Company had an interest in the following associate:

Associated Undertaking	Activity	Class	%
Pall Mall Film Partners	Film development and exploitation	Corporate Member	0.01

The net carrying value of the interest in the Partnership is £1,089 (year ended 5 April 2008: £1,069). The Partnership's profit for the year ended 5 April 2009 was £0.3m (year ended 5 April 2008: £0.3m) resulting in a net asset position of £12.2m (year ended 05 April 2008: £12.9m) at that date.