

INGENIOUS GAMES SERVICES LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD FROM 6 APRIL 2014 TO 30 JUNE 2015



Company Registration Number
05718471 (England and Wales)

INGENIOUS GAMES SERVICES 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	05718471 (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
Bankers	Barclays Bank Plc Soho Square Branch 27 Soho Square London W1D 3QR United Kingdom

INGENIOUS GAMES SERVICES LIMITED

CONTENTS

Reports	Page
Directors' Report	1
Independent Auditor's Report	4
Financial Statements	
Profit and Loss Account	6
Balance Sheet	7
Statement of Accounting Policies	8
Notes to the Financial Statements	9

DIRECTORS' REPORT
30 JUNE 2015

The directors present the Report and Financial Statements of Ingenious Games Services 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 continues to provide advisory services to the media and entertainment industry. The directors are not aware of any likely major changes in the Company's activities in the next year.

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

Going concern

position have been reviewed by the directors. The Company incurred a net loss of £3k during the period ended 30 June 2015 and, at that date, the Company's current liabilities exceeded its total assets by £64k and it had net current liabilities of £65k. 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.

Principal risks and uncertainties

The key business risks faced by the Company can be affected by a number of factors some of which may result from matters beyond the Company's control, such as conditions in the domestic and global financial markets and the wider economy. The financial risk and operational management policies are determined for the Group as a whole and are discussed in the Group's Report and Financial Statements.

(a) Liquidity risk

Liquidity risk is the risk that the Company could have short-term funding requirements to meet its payment obligations to counterparties.

The Group operates a group-wide treasury management strategy to manage the liquidity requirements of the Group as a whole (including the Company) and is discussed in the Group's Report and Financial Statements.

DIRECTORS' REPORT (CONTINUED)
30 JUNE 2015

Principal risks and uncertainties (continued)

(b) Credit risk

The Company's principal financial assets are bank balances and trade debtors with the Company's credit risk primarily attributable to its trade debtors. Where possible the Company reviews the credit rating of its partners and undertakes regular detailed reviews of any outstanding receivable balances. The amounts presented in the Balance Sheet are net of allowances for doubtful receivables. The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and partners.

Results and dividends

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

The directors do not propose to pay a final dividend (year ended 5 April 2014: £nil).

No interim dividend was paid during the period (year ended 5 April 2014: £nil).

Future developments

The Company intends to continue to undertake its principal activity.

Directors

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

J L Boyton	
M T Bugden	Resigned 30 November 2015
J H M Clayton	Resigned 19 September 2014
N A Forster	
D M Reid	
S J Speight	Resigned 1 December 2015

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.

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.

DIRECTORS' REPORT (CONTINUED)
30 JUNE 2015**Statement of directors' responsibilities**

The directors are responsible for preparing the Report 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:

- 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.

Change of year end

On 9 July 2015 it was resolved to amend the accounting period of the Company and to extend it from 5 April to 30 June so as to be coterminous with the year end of the Group. Accordingly, the current financial statements are prepared for 15 months from 6 April 2014 to 30 June 2015.

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.

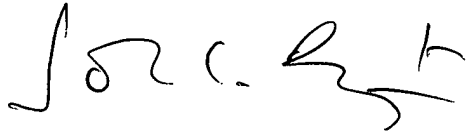
In the absence of a notice proposing that the appointment be terminated, the auditor, Deloitte LLP, will be deemed to be re-appointed in accordance with section 487(2) of the Companies Act 2006.

DIRECTORS' REPORT (CONTINUED)
30 JUNE 2015

Small company provisions

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.

This report was approved and signed on behalf of the board of directors on 30 March 2016 by:

A handwritten signature in black ink, appearing to read 'J L Boyton', with a stylized flourish at the end.

J L Boyton
Director

Registered office:
15 Golden Square
London
W1F 9JG

Company registration No. 05718471 (England and Wales)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INGENIOUS GAMES SERVICES LIMITED

We have audited the financial statements of Ingenious Games Services 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 12. 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 any 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 loss 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 the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INGENIOUS GAMES SERVICES LIMITED (CONTINUED)

Emphasis of Matter

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.

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 matters 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 Auditor
London, United Kingdom

Date: 30.3.16

PROFIT AND LOSS ACCOUNT

PERIOD FROM 6 APRIL 2014 TO 30 JUNE 2015

	Notes	Period from 6 April 2014 to 30 June 2015 £'000s	Year ended 5 April 2014 £ '000s
Administrative expenses		<u>(3)</u>	<u>(3)</u>
Operating loss	1	(3)	(3)
Loss on ordinary activities before taxation		(3)	(3)
Taxation	3	<u>-</u>	<u>-</u>
Loss on ordinary activities after taxation	8	<u>(3)</u>	<u>(3)</u>

The accounting policies and notes to the financial statements on pages 8 to 12 form an integral part of the financial statements.

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

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

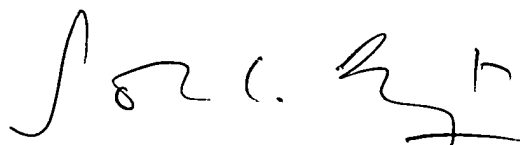
BALANCE SHEET
AS AT 30 JUNE 2015

	Notes	30 June 2015 £ '000s	5 April 2014 £ '000s
Fixed assets			
Investments	4	<u>1</u>	<u>1</u>
Current assets			
Debtors	5	-	127
Cash at bank and in hand		<u>129</u>	<u>-</u>
		129	127
Creditors: amounts falling due within one year	6	<u>(194)</u>	<u>(189)</u>
Net current liabilities		<u>(65)</u>	<u>(62)</u>
Total assets less current liabilities		<u>(64)</u>	<u>(61)</u>
Net liabilities		<u>(64)</u>	<u>(61)</u>
Capital and reserves			
Called up share capital	7	-	-
Profit and loss account	8	<u>(64)</u>	<u>(61)</u>
Shareholder's deficit	9	<u>(64)</u>	<u>(61)</u>

The accounting policies and notes to the financial statements on pages 8 to 12 form an integral part of the financial statements.

The financial statements were approved by the board of directors and authorised for issue on 30/3/16.

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



J L Boyton
Director

Company Registration Number: 05718471 (England and Wales)

STATEMENT OF ACCOUNTING POLICIES

30 JUNE 2015

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

Basis of accounting

The 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. The Company incurred a net loss of £3k during the period ended 30 June 2015 and, at that date, the Company's current liabilities exceeded its total assets by £64k and it had net current liabilities of £65k. 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 Annual Report and 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 (Revised) 'Cash Flow Statements'.

Investments

The investment in the Partnership is stated at cost less any permanent diminution in value.

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 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
30 JUNE 2015

1. Operating loss

	Period from 6 April 2014 to 30 June 2015 £ '000s	Year ended 5 April 2014 £ '000s
This is stated after charging:		
Fees for the statutory audit of the Company	3	3

2. Staff costs

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. Taxation

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

	Period from 6 April 2014 to 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	-	-

Factors affecting tax charge for the period/ year:

	Period from 6 April 2014 to 30 June 2015 £ '000s	Year ended 5 April 2014 £ '000s
Loss on ordinary activities before taxation	(3)	(3)
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.	(1)	(1)
Effects of:		
Group relief surrendered	1	1
Current tax charge	-	-

Loss on ordinary activities before taxation

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.

Effects of:

Group relief surrendered

Current tax charge

A potential deferred tax asset of £15,738 (2014: £16,566) in respect of tax losses carried forward has not been recognised due to uncertainty over the availability of taxable profits in future chargeable accounting periods.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
30 JUNE 2015

4. Fixed asset investments

	30 June 2015 £ '000s	5 April 2014 £ '000s
Share of partnership undertakings		
At 30 June 2015 and 5 April 2014	1	1

Pall Mall Film Partners

The investment represents an interest in Pall Mall Film Partners ("the Partnership") which had net assets at 5 April 2015 of £6.0m (5 April 2014: £7.2m) and a profit for the year ended 5 April 2015 of £0.2m (year ended 5 April 2014: £0.2m). The principal activity of the Partnership is to develop and exploit commercial film opportunities. At 30 June 2015 the Company held a 0.01% (5 April 2014: 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.

5. Debtors

	30 June 2015 £ '000s	5 April 2014 £ '000s
Amounts owed by Group undertakings	-	127

6. Creditors: Amounts falling due within one year

	30 June 2015 £ '000s	5 April 2014 £ '000s
Amounts owed to Group undertakings	191	186
Accruals and deferred income	3	3
	194	189

7. Called up share capital

	Allotted, called up and fully paid			
	30 June 2015		5 April 2014	
	£	No	£	No
Ordinary Share of £1 issued at par	1	1	1	1

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
30 JUNE 2015

8. Statement of movements on Profit and Loss Account

	30 June 2015 £ '000s	5 April 2014 £ '000s
Balance brought forward	(61)	(58)
Loss for the financial period/ year	<u>(3)</u>	<u>(3)</u>
Balance carried forward	(64)	(61)

9. Reconciliation of movements in shareholder's deficit

	30 June 0 £ '000s	5 April -1 £ '000s
Loss for the financial period/ year	<u>(3)</u>	<u>(3)</u>
Net movement in shareholder's deficit	(3)	(3)
Opening shareholder's deficit	<u>(61)</u>	<u>(58)</u>
Closing shareholder's deficit	(64)	(61)

10. Related party transactions

The financial statements do not include disclosure of transactions between the Company and entities that are wholly-owned within the Group. This is because, as a subsidiary whose voting rights are wholly-controlled within the Group, it is exempt from the requirement to disclose such transactions, under Financial Reporting Standard 8 'Related Party Disclosures'.

Ingenious Media Investments Limited is also a wholly-owned subsidiary of the Group and acts as operator of the Partnership. The directors of the Company are also directors of Ingenious Media Investments Limited.

11. 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 within the Group. Ingenious Media Holdings plc is the only parent undertaking for which consolidated financial statements 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 is P A McKenna.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
30 JUNE 2015

12. 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 immediate 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).