Registered number: 05718471

Ingenious Games Services Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

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INGENIOUS GAMES SERVICES LIMITED

COMPANY INFORMATION

Directors	D M Reid N A Forster
Company secretary	S Cruickshank
Registered number	05718471 (England and Wales) Private Company, Limited by shares
Registered office	15 Golden Square London W1F 9JG
Independent auditor	Deloitte LLP Statutory Auditor 1 Little New Street London EC4A 3TR
Banker	Barclays Bank Plc 1 Churchill Place London E14 5HP

INGENIOUS GAMES SERVICES LIMITED

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DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2017

The directors present their annual report and the financial statements of Ingenious Games Services Limited ("the Company") for the year ended 30 June 2017.

Principal activity

The Company is a wholly-owned subsidiary of Ingenious Media Limited, which is a wholly-owned subsidiary within the Ingenious Media Holdings Limited 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

The Company's business activities including the impact of the First-tier Tax Tribunal and Partner Payment Notices (as further explained in notes 6 and 16) have been reviewed by the directors.

Having assessed these risks including those set out in the Directors' Report, its financial position, and profit and cash flow forecasts, the directors intend to continue operating its business. The going concern basis of accounting is appropriate and further details regarding the adoption of the going concern basis, including a material uncertainty related to going concern, can be found in note 1.

Principal risk 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 annual report and financial statements.

Financial risk

The Company is exposed to financial risk through its financial assets and liabilities. The Company has an investment in the Partnership which it reviews on a regular basis. All other balances are predominantly amounts owed by or owing to companies within the Group or are connected to the investment in the Partnership.

Liquidity risk

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 annual report and financial statements.

Business risk

Business risk is the failure of the business to execute its business strategy and therefore being unsuccessful in achieving projected returns. This includes changes to tax legislation or financial regulation. Please refer to note 6 for further details.

Results and dividends

The loss for the year, after taxation, amounted to £14k (year ended 30 June 2016: £530k).

The directors do not propose to pay a final dividend (year ended 30 June 2016: £nil).

No interim dividend was paid during the year (year ended 30 June 2016: £nil).

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

Future developments and events after the balance sheet date

The Company intends to continue to undertake its principal activity.

Directors

The directors who served during the year and subsequently were:

D M Reid
N A Forster

Provision of insurance to directors

All directors were covered by Directors and Officers liability insurance, provided by the ultimate parent company Ingenious Media Holdings Limited, throughout the year and this will continue to remain in force.

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the 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), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

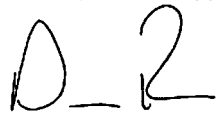
This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

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.

Small company exemptions

The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. This is in accordance with Part 15 of the Companies Act 2006. 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 by the Board of Directors and signed on its behalf by:



D M Reid
Director

15 Golden Square
London
W1F 9JG

Company Registration Number: 05718471 (England and Wales)

Date: 26 June 2018

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Ingenious Games Services Limited (the "Company") which comprise:

- the Profit and Loss Account;
- the Balance Sheet;
- the Statement of Changes in Equity; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw the attention to the Note 1 in the financial statements, which indicates that the Company may be impacted by the outcome of the First Tier Tax Tribunal decision and required to make payments at a future date, the quantum of which is uncertain. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1 to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter

Without qualifying our opinion, we draw the attention to the disclosures made in note 2 of the financial statements concerning the critical accounting judgment and key scope of estimation uncertainties that the directors have made in the process of determining tax liability of the Company and which have a significant effect on the amount recognised in the financial statements.

Although the First-tier tax tribunal released its decision on 2 August 2016 and further clarification was received in May 2017 from the judge, the ultimate outcome of this case remains uncertain and the provision recognised in the financial statements is the directors' best estimate of the amount required to settle the obligation at the reporting date based on the latest tribunal decision.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Report on other legal and regulatory requirements

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

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

We have nothing to report in respect of these matters.

Mark Rhys (Senior statutory auditor)

for and on behalf of
Deloitte LLP

Statutory Auditor

1 Little New Street
London EC4A 3TR

Date: 26 June 2018

INGENIOUS GAMES SERVICES LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2017

	Note	Year ended 30 June 2017 £000	*Year ended 30 June 2016 £000*
Administrative expenses		**(4)**	*(3)*
Operating loss	3	**(4)**	*(3)*
Interest receivable and similar income		**-**	*1*
Interest payable and expenses	5	**(10)**	*(157)*
Operating loss before tax		**(14)**	*(159)*
Taxation	6	**-**	*(371)*
Loss for the year		**(14)**	*(530)*
Other comprehensive loss for the year		**-**	-
Total comprehensive loss for the year		**(14)**	*(530)*

There were no recognised losses for 2017 or 2016 other than those included in the profit and loss account.

Total comprehensive loss is attributable to the equity shareholders of the Company.

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

The notes on pages 10 to 18 form an integral part of these financial statements.

INGENIOUS GAMES SERVICES LIMITED
REGISTERED NUMBER: 05718471

BALANCE SHEET
AS AT 30 JUNE 2017

	Note		30 June 2017 £000		*30 June 2016 £000*
Fixed assets					
Investments	7		**1**		*1*
			1		*1*
Current assets					
Cash at bank and in hand	9	**130**		*130*	
		130		*130*	
Creditors: amounts falling due within one year	10	**(572)**		*(568)*	
Net current liabilities			**(442)**		*(438)*
Total assets less current liabilities			**(441)**		*(437)*
Other provisions	11	**(167)**		*(157)*	
			(167)		*(157)*
Net liabilities			**(608)**		*(594)*
Capital and reserves					
Called up share capital	12		**-**		*-*
Profit and loss account			**(608)**		*(594)*
Shareholder's deficit			**(608)**		*(594)*

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A – small entities.

The financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf by:

D M Reid
Director

Date: 26 June 2018

The notes on page 10 to 18 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 July 2016	-	(594)	(594)
Comprehensive loss for the year			
Loss for the financial year	-	(14)	(14)
Other comprehensive loss for the year	-	-	-
Total comprehensive loss for the year	-	(14)	(14)
At 30 June 2017	-	(608)	(608)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 July 2015	-	(64)	(64)
Comprehensive loss for the year			
Loss for the financial year	-	(530)	(530)
Other comprehensive loss for the year	-	-	-
Total comprehensive loss for the year	-	(530)	(530)
At 30 June 2016	-	(594)	(594)

The notes on pages 10 to 18 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1. Accounting policies

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

1.1 General information and basis of preparation of financial instruments

The Company is incorporated in England and Wales under the Companies Act 2006.

The Company is a private company limited by shares and is registered in England and Wales. The address of the registered office is given on the Company Information page.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 Section 1A, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 Section 1A, requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies

The functional currency of the Company is considered to be pound sterling which is the currency of the primary economic environment in which the Company operates.

1.2 Going concern

The Company's business activities including the impact of the First-tier Tax Tribunal and Partner Payment Notices (as further explained in notes 6 and 16), have been reviewed by the directors.

The Company incurred a net loss of 14k during the year ended 30 June 2017 and the Company's current liabilities exceeded its current assets by £442k and it had net liabilities of £608k. If the Group undertaking demands repayment of the amount owed to it, the Company does not currently have sufficient liquid assets to reimburse it. 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 and discharge its liabilities in the normal course of business. The financial statements do not include adjustments that would result if the Company was unable to continue as a going concern.

The directors have prepared cash flow forecasts for 12 months following approval of these financial statements assuming a range of operational transactions including HMRC's determination of the Partner Payment Notices. Having assessed the risks facing the business as set out in the Directors' Report, its financial position and profit and cash flow forecasts, the directors believe that the Company is well placed to manage its business successfully on the basis that the Group undertaking does not have the intention to demand repayment of the amount owed to it in the next 12 months and that there is a reasonable prospect that the final quantum of the tax liability will be within the company's ability to discharge. Accordingly they continue to adopt the going concern basis of accounting in preparing the financial statements. See note 6 for further details relating to the First-tier Tax Tribunal.

1.3 Turnover

Turnover represents the Company's entitlement to drawings from its investment in the Partnership and is recorded at the value of consideration due. Drawings are recognised on an accruals basis when the Company's right to consideration is secured in accordance with the terms of the Partnership's Members' Agreement.

1. Accounting policies (continued)

1.4 Cost of sales

Cost of sales represents the impairment of investments.

1.5 Fixed asset investments

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

1.6 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.

1.7 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within the Profit and Loss Account.

1.8 Provision for liabilities and charges

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.9 Taxation

Tax is recognised in the Profit and Loss Account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

1.10 Disclosure exemptions

The Company is a qualifying entity under FRS 102 and it is taking advantage of some of the disclosure exemptions available to such entites in its financial statements. As such, the financial statements do not include a Cash Flow Statement and a note on financial instruments. Further details can be found in note 13 about the name of the immediate parent company of the Company and details of where the consolidated financial statements of that parent can be obtained.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements in applying the accounting policies

The following are the critical judgements that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Tax liability

In estimating the potential tax liability relating to the First-tier Tax Tribunal (refer to note 6), the following key elements as set out in the Tribunal decision were taken into account in calculating the partnerships' revised profits or losses: treatment of the operator and executive producer fees, deductibility of contracted film cost, recognition of film income and the calculation of the film net realisable values. These reduce the income and expenditure recognised by the partnerships which reduces the losses available to be utilised by the Group.

Impairment of investments

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Financial assets

For year ended 30 June 2017 the Company did not recognise an impairment loss in relation to its financial assets (year ended 30 June 2016 - £nil). For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

3. Operating loss

The operating loss before taxation is stated after charging:

	Year ended 30 June 2017 £000	*Year ended 30 June 2016 £000*
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	**4**	*3*

4. Staff costs

The Company incurred no staff costs nor paid any remuneration to its directors during the year (year ended 30 June 2016: £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.

5. Interest payable and similar charges

	30 June 2017 £000	*30 June 2016 £000*
Interest provision on estimated tax liability	**10**	*157*
	10	*157*

6. Taxation

	Year ended 30 June 2017 £000	*Year ended 30 June 2016 £000*
Group relief withdrawn and film source losses denied	**-**	*371*
Current tax charge	**-**	*371*

6. Taxation (continued)

Factors affecting tax charge for the year

	Year ended 30 June 2017 £000	*Year ended 30 June 2016 £000*
Loss before taxation	**(14)**	*(159)*
Tax on Company profit at standard UK corporation tax rate of 19.75% (2016: 20%)	**3**	*(32)*
Effects of:		
Group relief surrendered	**(3)**	*32*
Group relief withdrawn and film source losses denied	**-**	*371*
Total tax charge for the year	**-**	*371*

In prior accounting periods the Company has received the benefit of tax losses associated with the Group's investment in a number of film and game production partnerships. The partnerships have challenged the basis on which the closure notices have been calculated, resulting in a hearing before the Tribunal. The initial decision of the Tribunal was delivered on 2 August 2016 and a second decision which clarified the findings of the first decision was delivered in May 2017 and an amended decision was received on 16 November 2017. The effect of the decisions is to reduce both the losses available to Group entities that invested in the film and game production partnerships and their share of taxable income from the partnerships.

At the date of signing the financial statements the partnerships had received permission to appeal in full on 7 of the 8 grounds applied for and on some aspects of the remaining ground. The Upper Tribunal is still considering whether to grant permission to appeal on the remaining aspects of the only ground on which permission to appeal had not been granted in full by the Tribunal. The appeal hearing is scheduled to commence in March 2019. The quantum of both tax losses available to the Group and income taxable on Group entities arising from the Group's investment in these partnerships will remain uncertain until the tax cases are finally resolved. For the year ended 30 June 2017, the directors have estimated an additional tax liability for the Company of £nil (2016: liability of £371k) together with a liability for late paid interest of £10k (2016: liability of £157k) based on the current Tribunal decision. These figures are subject to any future court decisions. As at 30 June 2017, no payments have been made with regards to these amounts.

During November 2016, a number of companies, all subsidiaries of Ingenious Media Holdings Limited, as corporate members of film production partnerships received PPNs, which are demands for payments on account in respect of a tax liability in dispute, from HMRC. These corporate member companies (together the "Members") submitted written representations to HMRC within the authorised 90 day period. As a result of these representations, the PPNs were not due and payable until 30 days after the date on which HMRC responded to the representations and therefore have not been recognised as a liability at year end. HMRC reverted back on some of these and issued amended PPNs on 10 November 2017. These are non-adjusting post balance sheet events as explained in note 16.

7. Fixed asset investments

	£000
Cost or valuation	
At 1 July 2016	**1**
At 30 June 2017	**1**
Net book value	
At 30 June 2017	**1**
At 30 June 2016	*1*

8. Additional information on Partnership undertaking

The investment represents an interest in Pall Mall Film Partners ("the Partnership") which had net assets at 5 April 2017 of £3.2m (5 April 2016: £4.7m) and a profit for the year ended 5 April 2017 of £0.1m (year ended 5 April 2016: £0.1m). The principal activity of the Partnership is to develop and exploit commercial film opportunities. At 30 June 2017 the Company held a 0.01% (30 June 2016: 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.

9. Cash and cash equivalents

	30 June 2017 £000	*30 June 2016 £000*
Cash at bank and in hand	**130**	*130*
	130	*130*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

10. Creditors: Amounts falling due within one year

	30 June 2017 £000	*30 June 2016 £000*
Corporation tax	**371**	*371*
Amount owed to Group undertakings	**198**	*194*
Accruals and deferred income	**3**	*3*
	572	*568*

Trade loans relate to loans from commissioning distributors. The Company has granted security to the lenders for its obligations under the loan agreements. The security pledged is a charge over all of the Company's rights, title and interest in relation to the underlying film productions. No interest is payable and there are no terms of repayment.

11. Provisions for liabilities

	Year ended 30 June 2017 £000	*Year ended 30 June 2016 £000*
Interest provision on estimated tax liability	*167*	*157*
	167	*157*

Interest provision relates to interest on the estimated tax liability (refer to note 6).

12. Share capital

	30 June 2017 £	*30 June 2016 £*
Allotted, called up and fully paid		
Ordinary share of £1	**1**	*1*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

13. Related party transactions

The financial statements do not include disclosure of transactions between the Company and entities that are wholly-owned by the Group. This is because, as a subsidiary whose shares are wholly-controlled by the Group, it is exempt from the requirement to disclose such transactions, under FRS 102 Section 33.

Ingenious Media Investments Limited (registered in the United Kingdom) acts as an agent of the Partnership. N A Forster and D M Reid were also directors of Ingenious Media Investments Limited during the year. The Company and Ingenious Media Investments Limited are wholly-owned subsidiaries of Ingenious Media Limited, which is itself a wholly-owned subsidiary of the Group.

D M Reid is a member of the Executive Committee of the Partnership and is also a director of the Company.

At the year end the amount due to Ingenious Media Limited was £198k (year ended 30 June 2016: £194k).

14. Controlling party

During the year ended 30 June 2017 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 Limited is the only parent undertaking for which consolidated financial statements are prepared.

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

The registered office address of Ingenious Media Holdings Limited is 15 Golden Square, London, W1F 9JG, United Kingdom.

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

15. Contingent liability

In November 2015 HMRC approached the Group and some of its related entities and set out the basis on which they would settle the open enquiries into a number of film sale and leaseback partnerships in which some of the Group's subsidiaries hold investments. The settlement offer proposed by HMRC would result in a tax and interest cost to the Group's subsidiaries arising from tax relief generated by the partnerships being moved to a later year than originally claimed. The directors of the Group's subsidiaries impacted by these enquiries believe that the principles used in HMRC's settlement offer are inconsistent with the law and therefore, ultimately, no adjustment will be made to the partnership's tax returns. Therefore no provision has been made in the financial statements.

16. Events after balance sheet date

Having considered the representations, as explained in note 6, HMRC reverted back and issued amended PPNs, which are demands for payments on account in respect of a tax liability in dispute, on 10 November 2017 to some Members. As a consequence of the determination, on 13 December 2017, the Group notified HMRC of an intended claim for judicial review of the decision to uphold the PPNs and filed its claim with the court on 5 January 2018. Meanwhile, as the PPN remains payable, a total payment of £374k was made to HMRC in February and April 2018 in respect of the group relief being withdrawn and an associated interest charge on late paid tax of £157k. If HMRC issues determinations in respect of representations submitted by other members, a further payment of £nil will be due to HMRC in respect of the group relief being withdrawn together with an associated interest charge. When determining the best estimate of the ultimate cash outflows, the directors have considered the effect of the notices received but believe that the best estimate of ultimate cash outflows should still be based on the latest decision delivered by the First-tier Tax Tribunal. As at 30 June 2017, the Company did not have an obligation to make payment in respect of the notices and the determinations subsequently received do not represent an adjusting event.