

Registered number: 05776894

INGENIOUS FILM PARTNERS 3 LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017



INGENIOUS FILM PARTNER 3 LIMITED

COMPANY INFORMATION

Directors	D M Reid N A Forster
Company secretary	S Cruickshank
Registered number	05776894 (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 United Kingdom EC4A 3TR
Banker	Barclays Bank Plc 1 Churchill Place London E14 5HP Metro Bank One Southampton Row London WC1B5HA

INGENIOUS FILM PARTNER 3 LIMITED

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INGENIOUS FILM PARTNER 3 LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2017

The directors present their annual report and the financial statements of Ingenious Film Partners 3 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 principal activity of the Company is a corporate member of Ingenious Film Partners 3 LLP ("the Partnership") which is an integrated film business. 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.

Due to the nature of the Company's investment in the Partnership, the Company is expecting to realise cumulative profits in future years.

Going concern

The Company's business activities including the impact of the civil claims (refer to note 16), have been reviewed by the directors.

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 if the amount owe to it in the next 12 months. Accordingly they continue to adopt the going concern basis of accounting in preparing the financial statements.

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 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 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 £7k (year ended 30 June 2016: £3k).

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).

INGENIOUS FILM PARTNER 3 LIMITED

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 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 period. 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.

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 that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that 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.

The 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 will be terminated, the auditor, Deloitte LLP, will be deemed to be re-appointed in accordance with section 487(2) of the Companies Act 2006.

INGENIOUS FILM PARTNER 3 LIMITED

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

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:

A handwritten signature in black ink, appearing to be 'D M Reid', written over a horizontal line.

D M Reid
Director

15 Golden Square
London
W1F 9JG

Company Registration Number: 05776894 (England and Wales)

Date: 27 June 2018

INGENIOUS FILM PARTNER 3 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INGENIOUS FILM PARTNER 3 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 Film Partners 3 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 incurred a net loss of £7k during the year ended 30 June 2017 and at that date, it had net liabilities of £5k. If the Group undertaking demands repayment of the amount owed to them, the Company does not currently have sufficient liquid assets to reimburse it. As stated in Note 1, these events or conditions, along with the 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.

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.

INGENIOUS FILM PARTNER 3 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INGENIOUS FILM PARTNER 3 LIMITED

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

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.

INGENIOUS FILM PARTNER 3 LIMITED

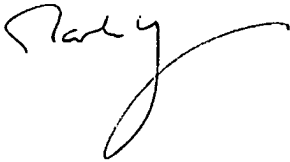
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INGENIOUS FILM PARTNER 3 LIMITED

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
United Kingdom
EC4A 3TR

27 June 2018

INGENIOUS FILM PARTNER 3 LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2017

		Year ended 30 June 2017 £000	Year ended 30 June 2016 £000
	Note		
Turnover	3	4	-
Cost of sales		(4)	-
Gross profit		-	-
Administrative expenses		(7)	(3)
Operating loss	4	(7)	(3)
Loss before taxation		(7)	(3)
Taxation	6	-	-
Loss after taxation		(7)	(3)
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(7)	(3)

There were no recognised gains and 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 and prior year.

The notes on pages 10 to 16 form an integral part of these financial statements.

INGENIOUS FILM PARTNER 3 LIMITED
REGISTERED NUMBER: 05776894

BALANCE SHEET
AS AT 30 JUNE 2017

	Note	30 June 2017 £000	30 June 2016 £000
Fixed assets			
Investments	8	5,402	5,406
		<u>5,402</u>	<u>5,406</u>
Current assets			
Debtors	9	5	5
Cash at bank and in hand	10	10	10
		<u>15</u>	<u>15</u>
Creditors: amounts falling due within one year	11	(7)	(3)
		<u>8</u>	<u>12</u>
Net current assets			
		<u>5,410</u>	<u>5,418</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	12	(5,415)	(5,416)
		<u>(5)</u>	<u>2</u>
Net (liabilities)/ assets			
		<u>(5)</u>	<u>2</u>
Capital and reserves			
Called up share capital	13	-	-
Profit and loss account		(5)	2
		<u>(5)</u>	<u>2</u>
Shareholder's (deficit)/funds			
		<u>(5)</u>	<u>2</u>

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

The notes on pages 10 to 16 form an integral part of these statements.

Date: 27 June 2018

INGENIOUS FILM PARTNER 3 LIMITED

**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	-	2	2
Comprehensive loss for the year			
Loss for the financial year	-	(7)	(7)
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	(7)	(7)
At 30 June 2017	-	(5)	(5)

**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	-	5	5
Comprehensive income for the year			
Loss for the financial year	-	(3)	(3)
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	(3)	(3)
At 30 June 2016	-	2	2

The notes on pages 10 to 16 form an integral part of these financial statements.

INGENIOUS FILM PARTNER 3 LIMITED

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 the 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 civil claims (refer to note 16), have been reviewed by the directors.

The Company incurred a net loss of £7k during the year ended 30 June 2017 and at that date, it had net current assets of £8k and net liabilities of £5k. 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 the impact of the First-tier Tax Tribunal.

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 if the amount owe to it in the next 12 months. Accordingly they continue to adopt the going concern basis of accounting in preparing the financial statements.

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.

1.4 Cost of sales

Cost of sales represents the direct costs attributable to turnover.

INGENIOUS FILM PARTNER 3 LIMITED

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

1. Accounting policies (continued)

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 in the Profit and Loss Account.

1.8 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 income 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.

1.9 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 entities in its financial statements. As such, the financial statements do not include a Cash Flow Statement and a note on the financial instruments. Further details can be found in note 15 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.

INGENIOUS FILM PARTNER 3 LIMITED

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

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:

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 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.

3. Turnover

	Year ended 30 June 2017 £000	Year ended 30 June 2016 £000
Film carry income	4	-
	<hr/>	<hr/>
	4	-
	<hr/>	<hr/>

All turnover arose within the United Kingdom and it has been derived from its principal activity for the current and prior year.

INGENIOUS FILM PARTNER 3 LIMITED

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

4. Operating loss

The 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	7	3

5. 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.

6. Taxation

	Year ended 30 June 2017 £000	Year ended 30 June 2016 £000
Tax on Company loss at standard UK corporation tax rate of 19.75% (2016: 20%)	-	-

Factors affecting tax charge for the year

	Year ended 30 June 2017 £000	Year ended 30 June 2016 £000
Company loss before tax	(7)	(3)
Tax on Company loss at standard UK corporation tax rate of 19.75% (2016: 20%)	(1)	(1)
Effects of:		
Adjustments resulting from investment in Partnership	(1)	-
Expenses not deductible for tax purposes	1	-
Group relief surrendered	1	1
Total tax charge for the year	-	-

INGENIOUS FILM PARTNER 3 LIMITED

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

7. Additional information on Partnership undertaking

The Company is a member of the Partnership, holding 67% of the Partnership capital at the year end. The interest in the Partnership was purchased for £7m by the Company. Under the terms of the Members' Agreement for the Partnership, the Company is entitled to 50% of cash drawings from the Partnership. Profits and losses of the Partnership are allocated in accordance with the Members' Agreement. The Partnership is an integrated film business producing and distributing a portfolio of films worldwide. Its place of business and head office address is 15 Golden Square, London W1F 9JG, United Kingdom.

The Partnership operating profit for the year ended 5 April 2017 was £6k (year ended 5 April 2016: loss of £2k) resulting in a net asset position of £59k (year ended 5 April 2016: £65k).

Ingenious Media Investments Limited, a fellow Group company, acts as operator of the Partnership.

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

8. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 July 2016	5,406
Permanent diminution in value	(4)
At 30 June 2017	<u>5,402</u>
Net book value	
At 30 June 2017	<u><u>5,402</u></u>
At 30 June 2016	<u><u>5,406</u></u>

INGENIOUS FILM PARTNER 3 LIMITED

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

9. Debtors

	30 June 2017 £000	30 June 2016 £000
Other debtors	5	5
	<u>5</u>	<u>5</u>

10. Cash and cash equivalents

	30 June 2017 £000	30 June 2016 £000
Cash at bank and in hand	10	10
	<u>10</u>	<u>10</u>

11. Creditors: Amounts falling due within one year

	30 June 2017 £000	30 June 2016 £000
Other creditors	7	3
	<u>7</u>	<u>3</u>

12. Creditors: Amounts falling due after more than one year

	30 June 2017 £000	30 June 2016 £000
Other loans	5,412	5,416
Amounts owed to Group undertakings	3	-
	<u>5,415</u>	<u>5,416</u>

INGENIOUS FILM PARTNER 3 LIMITED

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

13. Share capital

	30 June 2017 £	30 June 2016 £
Shares classified as equity		
Allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

14. 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 England and Wales) acts as operator 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 within the Group.

The investment made by the Company in the Partnership is detailed in notes 7 and 8.

15. 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.

16. Contingent liability

During the year ended 30 June 2016, the Company received claims from a law firm - Stewarts Law LLP, filed on behalf of a minority of investors (the "Claimants") in what are referred to as the Inside Track partnerships, the Ingenious Film Partnerships and Ingenious Games LLP (the "Production Partnerships") and some film sale and leaseback partnerships, all operated or managed by the Group and its related entities. The Claimants are seeking compensation via a number of legal remedies from various parties, many of whom are unconnected to the Group and its related entities, involved in the Production Partnerships and film sale and leaseback partnerships, including from the Company. The basis for the claims related to film sale and leaseback partnerships has not been articulated. Following legal consultation based on the information which has been provided in respect of the nature and basis of the claims so far and consideration of the current circumstances, the directors of the Company believe the claims are without merit and unlikely to succeed and therefore no provision has been made in the financial statements. Currently, there are no reasonable grounds for calculating the potential liability in the unexpected event that the claims do succeed.