

INGENIOUS TELEVISION LLP

REPORT AND FINANCIAL STATEMENTS

For the year ended

31 July 2007



Limited Liability Partnership Number OC306060

INGENIOUS TELEVISION LLP

REPORT AND FINANCIAL STATEMENTS 2007

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MEMBERS' REPORT

Year ended 31 July 2007

PRINCIPAL ACTIVITIES

The Partnership was formed to develop, produce, exploit and sell a high quality portfolio of television programmes with the greatest potential for commercial exploitation across all media, including pay and free to view television, DVD and video

In assessing which programmes to produce, the Partnership endeavours to work with the most successful distributors and sales agents and to work with and engage the highest quality production services companies and personnel to carry out its production activities. The Partnership also benefits from the expertise of Ingenious Media Investments Limited, which performs an Executive Producer role on all television programmes. The Partnership seeks to commit to a wide range of television projects, including television dramas, documentaries and television films

REVIEW OF THE PERIOD

The Designated Members serving during the period were Temple Film Partner 1 Limited and Temple Film Partner 2 Limited

During the year to 31 July 2007, the Partnership has committed to two further programmes *Wire In The Blood Series 5* and *The Baron*. *Wire In The Blood Series 5* followed our involvement in Series 4 of the show alongside Coastal Productions, the company formed by Robson Green and business partner Sandra Jobling. The *Wire In The Blood* series has been critically acclaimed in the UK and overseas and Series 4 has performed well. *The Baron* is a reality show in which three candidates compete to join the aristocracy, and co-producers Two Four are prolific creators of popular reality television. During the year, *Wire In The Blood Series 5* was completed and delivered to ITV for broadcast

The production of these television programmes has enabled the Partnership to reinforce its profile within the industry. Successful trading relationships have been established with a wide range of financiers, programme makers, broadcasters, agents and advisers

In producing the partnership's portfolio of programmes, the Members have made a substantial financial contribution to the industry and intend to continue their support for what they believe to be a commercially viable, as well as culturally important, area of British creativity

FUTURE DEVELOPMENTS

The partnership continues to source further television programmes and series for production in the next period

INGENIOUS TELEVISION LLP

MEMBERS' REPORT (Continued)

Year ended 31 July 2007

POLICY REGARDING MEMBERS' DRAWINGS AND CAPITAL

Designated Members are not entitled to drawings. In accordance with the Members' Agreement, the Corporate Member is not entitled to make any drawings on account of profits to which it is entitled, unless permitted under that Agreement.

Members' capital is subscribed in accordance with the current Members' Agreement, and retained by the partnership until such time as the Members agree to repay that capital. There were no transfers of Members' capital to debt during the period.

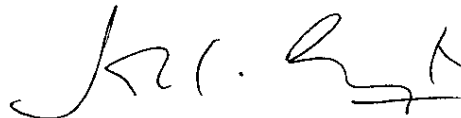
The operating cash requirements of the Partnership shall be met out of the Corporate Member's contributions and revenues generated by the LLP. No Member shall be required to make any further funding to the LLP after its admission as a Member.

Page 9 of the financial statements provides details of Members' interests.

This report was approved by the Designated Members on 11 Feb 2008



For and on behalf of
Temple Film Partner 1 Limited
Designated Member



For and on behalf of
Temple Film Partner 2 Limited
Designated Member

STATEMENT OF MEMBERS' RESPONSIBILITIES

Under the Members' Agreement, the Partnership is obliged to produce financial statements on an annual basis. The Designated Members are responsible for preparing the financial statements in accordance with applicable law and regulations.

The Members' Agreement and Company law requires the Members to prepare financial statements for each financial year. Under that law and the Members' Agreement, the Members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law and the Members' Agreement to give a true and fair view of the state of affairs of the Partnership and of the profit or loss of the Partnership for that period. In preparing these financial statements, the Members are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed,
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Partnership will continue in business.

The Members are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INGENIOUS TELEVISION LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INGENIOUS TELEVISION LLP

We have audited the financial statements of Ingenious Television LLP for the year ended 31 July 2007 which comprise the profit and loss account, the division of net profit, the balance sheet, members' capital and other reserves, and the related notes 1 to 8. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the LLP's members, as a body, in accordance with section 235 of the Companies Act 1985, as applicable to limited liability partnerships. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditors

The members' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Members' Responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with the relevant financial reporting framework and are properly prepared in accordance with the Companies Act 1985, as applicable to limited liability partnerships. We also report to you if, in our opinion, the LLP has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Annual Report. We consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

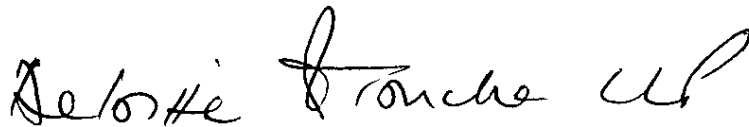
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INGENIOUS TELEVISION LLP (Continued)

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Limited Liability Partnership's affairs as at 31 July 2007 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985, as applicable to Limited Liability Partnerships



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London
United Kingdom

12th February 2008
Date

INGENIOUS TELEVISION LLP

PROFIT AND LOSS ACCOUNT

Year ended 31 July 2007

	NOTE	Year Ended 31st July 2007 £	Year Ended 31st July 2006 £
Turnover	1	5,306,956	9,551,421
Cost of sales		(5,297,518)	(9,550,500)
GROSS PROFIT		9,438	921
Audit & Accountancy		8,095	4,700
Bad Debts		-	-
Bank Charges & Interest		300	280
Legal & Professional Fees		-	13
Administrative Expenses		(8,395)	(4,993)
OPERATING PROFIT/(LOSS)	2	1,043	(4,072)
Interest Receivable and Similar Income	3	110,150	28,267
PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES		111,193	24,195

All results in the above two financial years are derived from continuing operations

There are no recognised gains or losses during the current or prior year other than as stated in the profit and loss account above, and as a result no separate statement of total recognised gains and losses is presented

INGENIOUS TELEVISION LLP

DIVISION OF NET PROFIT

Year ended 31 July 2007

	Year Ended 31st July 2007 £	Year Ended 31st July 2006 £
Temple Film Partner 1 Limited	-	-
Temple Film Partner 2 Limited	-	-
Ingenious Television plc	77,956	16,963
Tidebrook Productions Limited	33,237	7,232
	<hr/>	<hr/>
	111,193	24,195
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INGENIOUS TELEVISION LLP

BALANCE SHEET

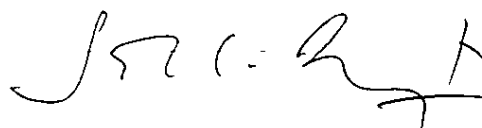
At 31 July 2007

	NOTE	2007 £	2006 £
CURRENT ASSETS			
Stocks	5	72,142	2,344
Trade Debtors		4,596,206	4,632,793
Other Debtors		1,891	1,774
Cash at Bank		875,022	604,912
		5,545,261	5,241,823
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Trade Creditors		73,309	-
Other Creditors		113,291	-
Accruals and deferred income		18,395	12,750
		(204,995)	(12,750)
NET CURRENT ASSETS AND NET ASSETS		5,340,266	5,229,073
MEMBERS' OTHER INTERESTS			
Members' capital accounts		5,018,132	5,018,132
Other Reserves		322,134	210,941
TOTAL MEMBERS' OTHER INTERESTS	6	5,340,266	5,229,073

The financial statements were approved by the Designated Members on 11 Feb 2008



Temple Film Partner 1 Limited



Temple Film Partner 2 Limited

INGENIOUS TELEVISION LLP

MEMBERS' CAPITAL AND OTHER RESERVES

At 31 July 2007

	CAPITAL ACCOUNT	OTHER RESERVES			
	BALANCE AT 1ST AUGUST 2006 AND 31ST JULY	BALANCE AT 1ST AUGUST	SHARE OF TRADING PROFIT	DRAWINGS	BALANCE AT 31ST JULY 2007
	£	£	£	£	£
<u>Designated Members</u>					
Temple Film Partner 1 Limited	1	-	-	-	-
Temple Film Partner 2 Limited	1	-	-	-	-
<u>Corporate Members</u>					
Ingenious Television plc	3,518,130	147,888	77,956	-	225,844
Tidebrook Productions Limited	1,500,000	63,053	33,237	-	96,290
	5,018,132	210,941	111,193	-	322,134

INGENIOUS TELEVISION LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2007

1. ACCOUNTING POLICIES

The Partnership is incorporated in Great Britain as a Limited Liability Partnership under the Limited Liability Partnership Act 2001

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards in compliance with the Statement of Recommended Practice on Accounting for Limited Liability Partnerships. The particular accounting policies adopted are described below, and have been applied consistently in the current and prior year

Turnover

Turnover derives from one class of business the production and global exploitation of television programmes, and is stated net of Value Added Tax. The directors do not consider any one part of the worldwide market to be significantly different from any other

Turnover is recognised at the fair value of the right to consideration and is not recognised until there is certainty over the right to consideration

Taxation

No current or deferred taxation is provided on the profits attributable to the Members as the liability for taxation falls on the individual Members

Stocks

Stocks and work in progress, other than long-term contracts, are stated at the lower of cost and net realisable value. Cost comprises contractual expenditure in respect of the television programmes being produced or co-produced. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs

Cash Flow

The financial statements do not include a cash flow statement as the Partnership is exempt from the requirement to prepare such a statement under Paragraph 5(g) Financial Reporting Standard 1. Cash flow statements

Long-term contracts

Long-term contract balances represent costs incurred on specific contracts, net of amounts transferred to cost of sales in respect of work recorded as turnover, less foreseeable losses and payments on account not matched with turnover. Provision is made for the full amount of foreseeable losses on contracts

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2007

2. OPERATING PROFIT/(LOSS)

The operating profit is stated after charging

	2007 £	2006 £
Fees payable to the Partnership's auditors for the audit of the Partnership's annual accounts	8,095	4,700

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2007 £	2006 £
Bank interest received gross	110,150	28,267

4. MEMBERS

No Member received any salaried remuneration from the Partnership during the period

The average number of Members in the period was 4 (2006 - 4) The average allocation of profit was therefore £27,798 (2006 £6,049) and the largest allocation of profit to any single member was £77,956 (2006 £16,963)

5. STOCKS

	2007 £	2006 £
Net cost less foreseeable losses	72,142	2,344

INGENIOUS TELEVISION LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2007

6. RECONCILIATION OF MOVEMENTS IN MEMBERS' INTERESTS

	Members' Capital	Loans and other debts due to Members	Total Members' Interests
	£	£	£
Balance at 1st August 2006	5,018,132	210,941	5,229,073
Profit for the financial year available for division among members	-	111,193	111,193
Balance at 31st July 2007	5,018,132	322,134	5,340,266

7. RELATED PARTY TRANSACTIONS

Ingenious Ventures Limited is a wholly-owned subsidiary of Ingenious Media plc (an investor in Ingenious Television plc, the controlling party of the partnership)

P A McKenna is a member of Ingenious Television plc and is also a director of both Ingenious Ventures Limited and Ingenious Media plc

Ingenious Ventures Limited in its capacity as operator to the Partnership charged fees of £74,300 during the year (2006 £73,000) At the year end £12,500 (2006 £nil) was unpaid

8. CONTROL

During the year ended 31 July 2007 the partnership was a subsidiary of Ingenious Television plc, a company registered in England and Wales Ingenious Television plc is the only parent undertaking for which group accounts are prepared

-- The consolidated financial statements of Ingenious Television plc can be obtained from Companies House, --- --
Crown Way, Maundy, Cardiff, CF14 3UZ