

INGENIOUS MEDIA LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

5 APRIL 2013



Company Registration Number
03573626 (England and Wales)

INGENIOUS MEDIA LIMITED

| | |
|--------------------------|--|
| Directors | J L Boyton N A Forster P A McKenna D M Reid |
| Company Secretary | S J Cruickshank |
| Registered Office | 15 Golden Square London W1F 9JG |
| Registered Number | 03573626 (England and Wales) |
| Auditor | Deloitte LLP Chartered Accountants London EC4A 3TR |
| Business Address | 15 Golden Square London W1F 9JG |
| Bankers | HSBC Private Bank (UK) Limited 78 St James's Street London SW1A 1JB |

| CONTENTS | Page |
|-----------------------------------|-------------|
| Reports | |
| 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 | 10 |

**DIRECTORS' REPORT
5 APRIL 2013**

The directors present the Annual Report and Financial Statements of Ingenious Media Limited ("the Company") for the year ended 5 April 2013

Principal activity and review of the business

During the year, the Company continued to provide services and support to Ingenious Media Holdings plc and its subsidiaries ("the Group")

As consolidated Group financial statements are prepared by Ingenious Media Holdings plc, the financial statements of Ingenious Media Limited represent the activities of the standalone company and not of the Group

Ingenious Media Holdings plc 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 the Company's development, performance or position.

The directors consider the results for the year and the financial position at the end of it to be satisfactory and believe the Company is well positioned for the future. There have been no significant events since the Balance Sheet date.

Going concern

The directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Principal risks and uncertainties

The principal risk is an operational risk as a result of a failure to properly perform its services and support to the Group in line with the terms of its appointment. The objectives, policies and processes for managing and monitoring risk are set by the Group and discussed in the Ingenious Media Holdings plc Annual Report and Financial Statements.

The Company operates a treasury policy to manage liquidity and credit risks as follows:

(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 Annual Report and Financial Statements.

(b) Credit risk

The principal credit risk arises on intercompany balances payable by Group entities.

Investments of cash surpluses and borrowings are made through banks and companies with high credit-ratings assigned by international credit-rating agencies.

Dividends

During the year an interim dividend of £120.0m was paid (year ended 5 April 2012 - £40.5m). The directors do not propose to pay a final dividend (year ended 5 April 2012 - £nil).

DIRECTORS' REPORT (continued)
5 APRIL 2013

Directors

The directors holding office during the year and subsequently were as follows

J L Boyton
N A Forster
P A McKenna
D M Reid

Charitable contributions

During the year the Company made charitable donations of £172k (year ended 5 April 2012 - £389k)

Provision of insurance to directors

All directors were covered by Directors and Officers liability insurance throughout the year 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.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- 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 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.

DIRECTORS' REPORT (continued)
5 APRIL 2013

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 the appointment be terminated, the auditor, Deloitte LLP, will be deemed to be re-appointed in accordance with section 487 of the Companies Act 2006

Approved by the board of directors and signed on its behalf by



S J Cruickshank
Company Secretary
Date 20 12 2013
Registered office
15 Golden Square
London
W1F 9JG

Company Registration Number 03573626 (England and Wales)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INGENIOUS MEDIA LIMITED

We have audited the financial statements of Ingenious Media Limited for the year ended 5 April 2013 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Accounting Policies and the related notes 1 to 23. 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 Audit.

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 annual report to identify material inconsistencies with the audited financial statements. 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 5 April 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INGENIOUS MEDIA LIMITED (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Calum Thomson (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

London, United Kingdom

Date 20 December 2013

INGENIOUS MEDIA LIMITED

**PROFIT AND LOSS ACCOUNT
YEAR ENDED 5 APRIL 2013**

| | Notes | Year ended 5 April 2013 £ '000s | Year ended 5 April 2012 £ '000s |
|--|-------|--|--|
| Turnover | 1 | 28,024 | 28,141 |
| Cost of sales | | <u>(28,809)</u> | <u>(28,720)</u> |
| Gross loss | | (785) | (579) |
| Other operating income/(expenses) | | <u>1,532</u> | <u>(778)</u> |
| Operating profit/(loss) | 2 | 747 | (1,357) |
| Share of profits from partnerships | | 1 | 2 |
| Income from shares in Group undertakings | | 16,000 | 41,383 |
| Profit from other interests | | 201 | 51 |
| Interest receivable and similar income | 5 | 355 | 268 |
| Interest payable and similar charges | 6 | <u>(22)</u> | <u>(3)</u> |
| Profit on ordinary activities before taxation | | 17,282 | 40,344 |
| Taxation | 7 | <u>(1,202)</u> | <u>(40)</u> |
| Profit for the financial year | 15 | 16,080 | 40,304 |

The accounting policies and notes to the financial statements on pages 8 to 22 form an integral part of the financial statements

All of the Company's profit after tax is derived from continuing operations during the current 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 5 APRIL 2013

| | Notes | 5 April 2013 £ '000s | 5 April 2012 £ '000s |
|--|-------|----------------------------|----------------------------|
| Fixed assets | | | |
| Tangible assets | 8 | 1,953 | 2,392 |
| Investments | 9 | <u>36,240</u> | <u>36,577</u> |
| | | <u>38,193</u> | <u>38,969</u> |
| Current assets | | | |
| Debtors | | | |
| Due within one year | 10 | 77,066 | 101,745 |
| Cash at bank and in hand | | <u>20,070</u> | <u>10,376</u> |
| | | 97,136 | 112,121 |
| Creditors: Amounts falling due within one year | 11 | <u>(116,332)</u> | <u>(28,303)</u> |
| Net current (liabilities)/assets | | <u>(19,196)</u> | <u>83,818</u> |
| Total assets less current liabilities | | 18,997 | 122,787 |
| Creditors: Amounts falling due after more than one year | 12 | (34) | (41) |
| Provision for liabilities and charges | 13 | <u>(2,029)</u> | <u>(1,892)</u> |
| Net assets | | <u>16,934</u> | <u>120,854</u> |
| Capital and reserves | | | |
| Called up share capital | 14 | 55 | 55 |
| Profit and Loss Account | 15 | <u>16,879</u> | <u>120,799</u> |
| Shareholder's funds | 17 | <u>16,934</u> | <u>120,854</u> |

The accounting policies and notes to the financial statements on pages 8 to 22 form an integral part of the financial statements

The financial statements were approved by the board of directors and authorised for issue on 20 DECEMBER 2013

They were signed on behalf of the board of directors by



N A Forster
Director

Company Registration Number 03573626 (England and Wales)

STATEMENT OF ACCOUNTING POLICIES

5 APRIL 2013

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

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards.

In accordance with section 400 of the Companies Act 2006, consolidated financial statements have not been prepared as the Company is itself a wholly-owned subsidiary and is included in the consolidated financial statements of Ingenious Media Holdings plc, its parent undertaking.

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. As part of the Group, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

On the basis that the Group will not require repayment of amounts owed to Group undertakings until the Company is able to do so, the directors have a reasonable expectation that the Company will continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

Cash flow

The financial statements do not include a cash flow statement because the Company, as a wholly-owned subsidiary, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash flow statements'.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

| | |
|------------------------------------|---|
| Short leasehold land and buildings | In equal instalments over the remaining period of the lease |
| Fixtures, fittings and equipment | 10% – 33% on cost |

Leased assets

Rentals payable under operating leases are charged against income on a straight-line basis over the lease term.

Investments

Investments in subsidiary undertakings

Investments in subsidiary undertakings are held at cost less impairment for diminution in value.

Investments in partnerships

The investments in partnerships balance is the Company's share of Pall Mall Film Partners' ("the Partnership") net assets at the year end. The Company's share of the Partnership's operating profits or losses is included in the Profit and Loss Account.

Other investments and loans

Other investments are stated at cost less impairment.

Other operating expenses

Other operating expenses include charges for investments impaired during the year.

Income from shares in Group undertakings

Income from shares in Group undertakings includes dividends received and receivable from subsidiaries.

STATEMENT OF ACCOUNTING POLICIES (continued)
5 APRIL 2013

Profit from other interests

Profit from other interests mainly represents dividends received from investments in Venture Capital Trusts

Interest income

Interest income represents bank interest earned on cash deposits and interest receivable on Sale and Leaseback loans

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

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Pension

The pension costs charged in the financial statements represent the defined contributions payable by the Company during the year

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the Balance Sheet date. Exchange differences are taken to the Profit and Loss Account

Share-based payments

Ingenious Asset Management Holdings Limited, a subsidiary of the Company, issued equity-settled, share-based payments to certain employees of the Company

Equity-settled, share-based payments are measured at fair value at the date of grant as determined by an independent valuator. The fair value determined at the grant date was £392k and is expensed on a straight-line basis over the vesting period. The vesting period is based on management's best estimate, which was three years at the date of grant

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2013

1. Turnover

The total turnover of the Company for the current and prior year has been derived from its principal activity wholly undertaken in the United Kingdom

The Company incurs expenses on behalf of the Group and recharges these to fellow subsidiaries and recognises this as turnover

2. Operating profit/(loss)

| | Year ended 5 April 2013 £ '000s | Year ended 5 April 2012 £ '000s |
|---|--|--|
| This is stated after charging | | |
| Depreciation of tangible fixed assets | 828 | 622 |
| Expense relating to equity-settled share-based payments | 131 | 163 |
| Operating lease rentals - land and buildings | 1,335 | 1,242 |
| Provision for impairment of fixed asset investments | 2,954 | 982 |
| Auditor's remuneration | | |
| Fees payable to Company's auditor for the audit of the Company's financial statements | <u>63</u> | <u>58</u> |
| Total audit fees | <u>63</u> | <u>58</u> |
| Other services pursuant to legislation | | |
| Tax services - current auditor | - | 17 |
| Other services - current auditor | <u>4</u> | <u>-</u> |
| Total non-audit fees | <u>4</u> | <u>17</u> |

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2013

3. Staff costs

Staff costs, including directors' remuneration (see note 4), were as follows

| | Year ended 5 April 2013 £ '000s | Year ended 5 April 2012 £ '000s |
|---|--|--|
| Wages and salaries | 19,064 | 18,900 |
| Social security costs | 2,631 | 2,608 |
| Other pension costs | 4 | 4 |
| Staff costs reallocated to operating subsidiaries | (21,520) | (21,512) |
| | 179 | - |

The average monthly number of employees (including directors) during the year was as follows

| | Year ended 5 April 2013 | Year ended 5 April 2012 |
|---------------------------|--|--|
| Office and administration | 190 | 165 |

4. Directors' remuneration

| | Year ended 5 April 2013 £ '000s | Year ended 5 April 2012 £ '000s |
|--|--|--|
| Emoluments for qualifying services | 1,750 | 3,363 |
| Company pension contributions to money purchase scheme | 4 | 4 |
| | 1,754 | 3,367 |

The above pension contributions were paid into a personal pension scheme on behalf of one of the directors

The emoluments of the highest paid director of the Company were as follows

| | Year ended 5 April 2013 £ '000s | Year ended 5 April 2012 £ '000s |
|------------------------------------|--|--|
| Emoluments for qualifying services | 450 | 763 |

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2013

5. Interest receivable and similar income

| | Year ended 5 April 2013 £ '000s | Year ended 5 April 2012 £ '000s |
|---|--|--|
| Bank interest | 122 | 73 |
| Interest receivable from Group undertakings | 233 | 195 |
| | 355 | 268 |

6. Interest payable and similar charges

| | Year ended 5 April 2013 £ '000s | Year ended 5 April 2012 £ '000s |
|--|--|--|
| Interest payable on bank overdrafts and bank loans | 2 | 3 |
| Corporation tax interest | 20 | - |
| | 22 | 3 |

7. Taxation

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

| | Year ended 5 April 2013 £ '000s | Year ended 5 April 2012 £ '000s |
|---|--|--|
| UK Corporation tax at 24% for the period from 6 April 2012 to 31 March 2013 and 23% for the period from 1 April 2013 to 5 April 2013 based on the adjusted results for the year (year ended 5 April 2012 26% for the period from 6 April 2011 to 31 March 2012 and 24% for the period from 1 April 2012 to 5 April 2012) based on the adjusted results for the year | - | 43 |
| Adjustments in respect of prior years | 1,204 | - |
| Current tax charge | 1,204 | 43 |
| Deferred tax credit for the year (note 13) | (2) | (3) |
| Total tax charge | 1,202 | 40 |

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2013

7. Taxation (continued)

Factors affecting the tax charge for the year

| | Year ended 5 April 2013 £ '000s | Year ended 5 April 2012 £ '000s |
|--|--|--|
| Profit on ordinary activities before taxation | 17,282 | 40,344 |
| Profit on ordinary activities for the period multiplied by standard rate of corporation tax in the UK of 24% for the period from 6 April 2012 to 31 March 2013 and 23% for the period from 1 April 2013 to 5 April 2013 (year ended 5 April 2012 26% for the period from 6 April 2011 to 31 March 2012 and 24% for the period from 1 April 2012 to 5 April 2012) | 4,145 | 10,479 |
| Effects of | | |
| Adjustments resulting from investment in partnerships | (518) | 2 |
| UK dividend income not taxable | (3,886) | (10,762) |
| Chargeable gain | 74 | - |
| Expenses not deductible for tax purposes | (32) | 344 |
| Timing differences in relation to capital allowances | 82 | (20) |
| Group relief surrender | 135 | - |
| Adjustments in respect of prior tax years | 1,204 | - |
| Current tax charge | 1,204 | 43 |

A potential deferred tax asset of £1,521k in respect of tax decelerated capital allowances and deferred bonus have not been recognised due to uncertainty over the availability of taxable profits in future chargeable accounting periods

8. Tangible fixed assets

| | Short leasehold land and buildings £ '000s | Fixtures, fittings and equipment £ '000s | Total £ '000s |
|------------------------|---|--|------------------|
| Cost | | | |
| At 6 April 2012 | 2,901 | 3,260 | 6,161 |
| Additions | - | 389 | 389 |
| At 5 April 2013 | 2,901 | 3,649 | 6,550 |
| Depreciation | | | |
| At 6 April 2012 | 1,696 | 2,073 | 3,769 |
| Charge for the year | 342 | 486 | 828 |
| At 5 April 2013 | 2,038 | 2,559 | 4,597 |
| Net book values | | | |
| At 5 April 2013 | 863 | 1,090 | 1,953 |
| At 6 April 2012 | 1,205 | 1,187 | 2,392 |

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2013

9. Fixed asset investments

| | Investment in subsidiary undertakings £ '000s | Investment in partnerships £ '000s | Other investments and loans £ '000s | Total £ '000s |
|--------------------------|--|--|---|------------------|
| Cost | | | | |
| At 6 April 2012 | 1,598 | 56 | 34,923 | 36,577 |
| Movement during the year | | | | |
| Capital | 2 | - | 3,091 | 3,093 |
| Drawings | - | (8) | (1,480) | (1,488) |
| Profits | - | 1 | 1,011 | 1,012 |
| Provision for impairment | - | - | (2,954) | (2,954) |
| At 5 April 2013 | 1,600 | 49 | 34,591 | 36,240 |

Additional information on subsidiaries is detailed in note 22

Ingenious Ventures L.P.

The Company is a partner in Ingenious Ventures L.P. in which it owns 10% (year ended 5 April 2012 - 10%) of the partnership capital. Ingenious Ventures L.P. was formed under the Limited Partnerships Act 1907 to acquire and hold a portfolio of investments in media and entertainment companies. Its place of business and head office address is 15 Golden Square, London W1F 9JG, United Kingdom.

Ingenious Ventures L.P. made a net profit of £3.6m (year ended 31 March 2012 - £7.5m) during the year ended 31 March 2013.

Pall Mall Film Partners

The Company is a partner in Pall Mall Film Partners in which it owns 0.62% (year ended 5 April 2012 - 0.62%) of the partnership capital. The partnership was formed to invest in a portfolio of films. Its place of business and head office is 15 Golden Square, London W1F 9JG, United Kingdom. Pall Mall Film Partners made a net profit of £228k (year ended 5 April 2012 - £259k) during the year ended 5 April 2013. This interest represents an investment in a qualifying film partnership.

Other investments and loans

Other investments and loans mainly represents an investment into the Ingenious Global Growth Fund of £25m and the Company's investment in Ingenious Media Active Capital Limited of £5.8m.

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2013

10. Debtors

| | 5 April 2013 £ '000s | 5 April 2012 £ '000s |
|---|-------------------------------------|-------------------------------------|
| Falling due within one year | | |
| Trade debtors | 7 | - |
| Amounts owed by Group undertakings | 69,372 | 96,432 |
| Amounts due from undertakings in which the Company has a participating interest | 9 | 4 |
| Social security and other taxes | 134 | 72 |
| Trade loans | 1,472 | 1,472 |
| Other loans | 4,185 | 2,300 |
| Other debtors | 48 | 41 |
| Prepayments and accrued income | 1,839 | 1,424 |
| | 77,066 | 101,745 |

Amounts owed by Group undertakings represents balances due in respect of intra-group loans with the various other subsidiary companies within the Group. There are no fixed terms of repayment.

Trade loans represent amounts loaned to film partnerships.

11. Creditors: Amounts falling due within one year

| | 5 April 2013 £ '000s | 5 April 2012 £ '000s |
|---|-------------------------------------|-------------------------------------|
| Bank loans and overdrafts | 7 | 6 |
| Trade creditors | 1,196 | 949 |
| Amounts owed to Group undertakings | 103,054 | 15,686 |
| Amounts due to undertakings in which the Company has a participating interest | - | 1 |
| Directors' current accounts (note 19) | 172 | - |
| Corporation tax | 259 | 43 |
| Other creditors | 1 | - |
| Accruals and deferred income | 11,643 | 11,618 |
| | 116,332 | 28,303 |

Amounts owed to Group undertakings represents balances due in respect of intra-group loans with the various other subsidiary companies within the Group. No interest is payable and there are no fixed terms of repayment.

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2013

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

| | 5 April 2013 £ '000s | 5 April 2012 £ '000s |
|--------------------------------------|----------------------------|----------------------------|
| Bank loans | 34 | 41 |
| Falling due for repayment as follows | | |
| Due within one to two years | 7 | 7 |
| Due within two to five years | 27 | 34 |
| | 34 | 41 |

The bank loans for the Company are secured by the Company's share of lease rental income receivable by partnerships in which the Company has made investments (note 9), and are repayable within six years. An average interest rate of 4.10% per annum (year ended 5 April 2012 - 4.10% per annum) is payable on these loans.

13. Provisions for liabilities and charges

| | Sub-note | 5 April 2013 £ '000s | 5 April 2012 £ '000s |
|-------------------|----------|----------------------------|----------------------------|
| Deferred taxation | a | 12 | 14 |
| Other provisions | b | 2,017 | 1,878 |
| | | 2,029 | 1,892 |

a. Deferred taxation

| | 5 April 2013 £ '000s | 5 April 2012 £ '000s |
|--|----------------------------|----------------------------|
| Balance brought forward | 14 | 17 |
| Deferred tax credit in Profit and Loss Account | (2) | (3) |
| Balance carried forward | 12 | 14 |

b. Other provisions

| | 5 April 2013 £ '000s | 5 April 2012 £ '000s |
|---|----------------------------|----------------------------|
| Balance brought forward | 1,878 | 2,116 |
| Provision for additional capital commitments entered into | 100 | - |
| Fulfilment of obligation | (81) | (300) |
| Provision for accrued loan interest | 120 | 62 |
| Balance carried forward | 2,017 | 1,878 |

The provision primarily relates to (1) capital commitments entered into £0.3m (year ended 5 April 2012 - £0.3m), (2) loans made in the course of the Group's trade £1.6m (year ended 5 April 2012 - £1.5m), (3) accrued loan interest £0.1m (year ended 5 April 2012 - £0.1m).

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2013

14. Called up share capital

The Company's share capital is divided into 28 (year ended 5 April 2012 - 28) share classes

| | Allotted, called up and fully paid | | | |
|---------------------------------|------------------------------------|----------------|---------------|----------------|
| | 5 April 2013 | | 5 April 2012 | |
| | £ | No | £ | No |
| Class 'A1' shares of 90p each | 45,000 | 50,000 | 45,000 | 50,000 |
| Class 'A2' shares of 5p each | 2,500 | 50,000 | 2,500 | 50,000 |
| Class 'A3' shares of 5p each | 2,500 | 50,000 | 2,500 | 50,000 |
| Class 'B' shares of 5p each | 450 | 9,001 | 450 | 9,001 |
| Class 'C' shares of 5p each | 452 | 9,035 | 452 | 9,035 |
| Class 'D' shares of 5p each | 452 | 9,041 | 452 | 9,041 |
| Class 'E' shares of 5p each | 459 | 9,189 | 459 | 9,189 |
| Class 'F' shares of 5p each | 452 | 9,044 | 452 | 9,044 |
| Class 'G' shares of 5p each | 496 | 9,919 | 496 | 9,919 |
| Class 'H' shares of 5p each | 470 | 9,406 | 470 | 9,406 |
| Class 'I' shares of 5p each | 465 | 9,290 | 465 | 9,290 |
| Class 'J' shares of 5p each | 460 | 9,192 | 460 | 9,192 |
| Class 'K' shares of 5p each | 455 | 9,100 | 455 | 9,100 |
| Class 'L' shares of 0 125p each | 23 | 18,176 | 23 | 18,176 |
| Class 'M' shares of 0 125p each | 23 | 18,176 | 23 | 18,176 |
| Class 'N' shares of 0 125p each | 23 | 18,176 | 23 | 18,176 |
| Class 'O' shares of 0 125p each | 23 | 18,176 | 23 | 18,176 |
| Class 'P' shares of 0 125p each | 25 | 19,806 | 25 | 19,806 |
| Class 'Q' shares of 0 125p each | 25 | 19,676 | 25 | 19,676 |
| Class 'R' shares of 0 125p each | 25 | 19,676 | 25 | 19,676 |
| Class 'S' shares of 0 125p each | 24 | 19,184 | 24 | 19,184 |
| Class 'T' shares of 0 125p each | 24 | 18,957 | 24 | 18,957 |
| Class 'U' shares of 0 125p each | 24 | 18,956 | 24 | 18,956 |
| Class 'V' shares of 0 125p each | 23 | 18,689 | 23 | 18,689 |
| Class 'W' shares of 0 125p each | 23 | 18,694 | 23 | 18,694 |
| Class 'X' shares of 0 125p each | 23 | 18,642 | 23 | 18,642 |
| Class 'Y' shares of 0 125p each | 23 | 18,640 | 23 | 18,640 |
| Class 'Z' shares of 0 125p each | 136 | 109,056 | 136 | 109,056 |
| | 55,078 | 614,897 | 55,078 | 614,897 |

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2013

15. Statement of movements on Profit and Loss Account

| | Profit and Loss Account | |
|--------------------------------|--------------------------------|----------------|
| | 2013 | 2012 |
| | £ '000s | £ '000s |
| Balance brought forward | 120,799 | 120,995 |
| Profit for the financial year | 16,080 | 40,304 |
| Dividend | (120,000) | (40,500) |
| Balance carried forward | 16,879 | 120,799 |

During the year an interim dividend of £120.0m was paid (year ended 5 April 2012 - £40.5m). The directors do not propose to pay a final dividend (year ended 5 April 2012 - £nil).

16. Financial commitments

Annual commitments under non-cancellable operating leases were as follows

| | Land and buildings | |
|-------------------------------|---------------------------|----------------|
| | 5 April | 5 April |
| | 2013 | 2012 |
| | £ '000s | £ '000s |
| Operating leases which expire | | |
| After three years | 1,497 | 1,460 |
| | 1,497 | 1,460 |

17. Reconciliation of movements in shareholder's funds

| | 5 April | 5 April |
|--|------------------|----------------|
| | 2013 | 2012 |
| | £ '000s | £ '000s |
| Profit on ordinary activities after taxation | 16,080 | 40,304 |
| Dividend | (120,000) | (40,500) |
| Net movement in shareholder's funds | (103,920) | (196) |
| Shareholder's funds brought forward | 120,854 | 121,050 |
| Shareholder's funds carried forward | 16,934 | 120,854 |

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2013

18. 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-owned by the Group, it is exempt from the requirement to disclose such transactions, under FRS8 Related Party Disclosures

During the year the Company conducted transactions with related parties as follows

| | 5 April 2013 £'000s | 5 April 2012 £'000s |
|---|------------------------------------|------------------------------------|
| Expense recharged | | |
| Ingenious Asset Management Holdings Limited * | 131 | 163 |
| Ingenious Asset Management Limited ** | 4,586 | 4,210 |
| Amounts due from entities listed below | | |
| Ingenious Asset Management Limited | 2,113 | 375 |
| North John Street LLP | 1,000 | - |

* Ingenious Asset Management Holdings Limited was a Group undertaking not wholly-owned by the Group. During the year, certain expenses were borne by Ingenious Media Limited on behalf of Ingenious Asset Management Holdings Limited. These expenses have been recharged to Ingenious Asset Management Holdings Limited.

** Ingenious Asset Management Limited was a Group undertaking not wholly-owned by the Group. During the year, certain expenses were borne by Ingenious Media Limited on behalf of Ingenious Asset Management Limited. These expenses have been recharged to Ingenious Asset Management Limited and were partially outstanding as at year end.

19. Directors' current accounts

The following director had a current account during the year as stated below

| | Amount owed by the Company | |
|-------------|-------------------------------------|-------------------------------------|
| | 5 April 2013 £ '000s | 5 April 2012 £ '000s |
| P A McKenna | 172 | - |

20. Pension cost

The Company made £4,480 (year ended 5 April 2012 - £4,480) of pension contributions to a director's personal pension scheme. At the year end there were no accrued or prepaid pension costs (year ended 5 April 2012 - £nil).

21. Controlling party

During the year the Company was a wholly-owned subsidiary of Ingenious Media Holdings plc, a company registered in England and Wales. 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, Maundy, Cardiff, CF14 3UZ.

The controlling shareholder of Ingenious Media Holdings plc was P A McKenna.

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2013

22. Additional information on subsidiaries

During the year the Company had the following principal operating subsidiaries which were all registered and incorporated in England and Wales (unless otherwise indicated), and were included within the consolidated accounts of the ultimate parent company, Ingenious Media Holdings plc

| Subsidiary undertakings | Activity | Class | % |
|---|--------------------------|------------------|-----|
| IFP1 Corporate Partner Limited | Integrated film business | Ordinary | 100 |
| IFP2 Corporate Partner Limited | Integrated film business | Ordinary | 100 |
| Ingenious Film Partners 2 Limited | Integrated film business | Ordinary | 100 |
| Ingenious Film Partners 3 Limited | Integrated film business | Ordinary | 100 |
| Ingenious Film Partners Limited | Integrated film business | Ordinary | 100 |
| Phoenix Film Partners Limited | Integrated film business | Ordinary | 100 |
| Big Screen Productions 2 Limited | Integrated film business | Ordinary | 100 |
| Big Screen Productions 3 Limited | Integrated film business | Ordinary | 100 |
| Big Screen Productions 4 Limited | Integrated film business | Ordinary | 100 |
| Big Screen Productions 5 Limited | Integrated film business | Ordinary | 100 |
| Big Screen Productions 7 Limited | Film production | Ordinary | 100 |
| Big Screen Productions 8 Limited | Film production | Ordinary | 100 |
| Big Screen Productions 9 Limited | Film production | Ordinary | 100 |
| Big Screen Productions 10 Limited | Film production | Ordinary | 100 |
| Big Screen Productions 11 Limited | Film production | Ordinary | 100 |
| Big Screen Productions 12 Limited | Film production | Ordinary | 100 |
| Big Screen Productions 13 Limited | Film production | Ordinary | 100 |
| Big Screen Productions 14 IM Limited | Film production | Ordinary | 100 |
| Big Screen Productions 15 IM Limited | Film production | Ordinary | 100 |
| Big Screen Productions 16 IM Limited | Film production | Ordinary | 100 |
| Big Screen Productions 17 IM Limited | Film production | Ordinary | 100 |
| Big Screen Productions 18 IM Limited | Film production | Ordinary | 100 |
| Big Screen Productions 19 IM Limited | Film production | Ordinary | 100 |
| Big Screen Productions 20 IM Limited | Film production | Ordinary | 100 |
| Big Screen Productions 21 IM Limited | Film production | Ordinary | 100 |
| Big Screen Productions 22 IM Limited | Film production | Ordinary | 100 |
| Big Screen Productions 23 IM Limited | Film production | Ordinary | 100 |
| Big Screen Productions 24 IM Limited | Film production | Ordinary | 100 |
| Dayday Films (CM) Limited | Film production | Ordinary | 100 |
| Golden Square Services 1 Limited | Film production | Ordinary | 100 |
| Golden Square Services 2 Limited | Film production | Ordinary | 100 |
| Ingenious Fuller Partnership IM Limited | Film production | Ordinary | 100 |
| Inkie Productions IM Limited | Film production | Ordinary | 100 |
| Little Blair Productions IM Limited | Film production | Ordinary | 100 |
| MC Pictures IM Limited | Film production | Ordinary | 100 |
| Mercury Film Productions Limited | Film production | Ordinary | 100 |
| NBBP (IM) Limited | Film production | Ordinary | 100 |
| Pangorda Investor Limited | Film production | Ordinary | 100 |
| Solar Film Partners IM Limited | Film production | Ordinary | 100 |
| Starlight Film Partners Limited | Film production | Ordinary | 100 |
| Pall Mall Film Partners | Film partnership | Members' capital | 100 |

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2013

22. Additional information on subsidiaries (continued)

| Subsidiary undertakings | Activity | Class | % |
|----------------------------------|-----------------|----------|-----|
| Amber Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Aries Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Bronze Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Cairo Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Capitan Films Limited | Film investment | Ordinary | 100 |
| Chrome Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Copper Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Corinth Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Delphi Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Diamond Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Ebony Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Electra Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Fleet Film Partners 1 Limited | Film investment | Ordinary | 100 |
| Gallipoli Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Gemini Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Gemstone Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Ivory Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Jade Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Jasper Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Jewel Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Leo Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Libra Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Lodestone Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Luxor Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Malachite Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Mars Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Milan Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Neptune Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Onyx Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Opal Film Partners 1 Limited | Film investment | Ordinary | 100 |
| Pearl Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Petra Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Quartz Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Reel Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Rome Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Sapphire Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Saturn Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Sinus Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Taurus Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Temple Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Thebes Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Topaz Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Trafalgar Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Trieste Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Tunn Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Venus Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Verona Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Vienna Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Virgo Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Waterloo Film Partner 1 Limited | Film investment | Ordinary | 100 |
| Zinc Film Partner 1 Limited | Film investment | Ordinary | 100 |

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2013

22. Additional information on subsidiaries (continued)

| Subsidiary undertakings | Activity | Class | % |
|--|--|----------|-----|
| Ingenious Clean Energy Services Limited | Clean energy consultancy | Ordinary | 100 |
| Ingenious (IM) Limited | Member of Beckwell Road LLP (insurance business) | Ordinary | 100 |
| Ingenious Capital Management Limited | Discretionary investment management | Ordinary | 100 |
| Ingenious Corporate Finance Limited | Corporate finance (FCA registered) | Ordinary | 100 |
| Ingenious Distribution Services Limited | Services to film and television industries | Ordinary | 100 |
| Ingenious Films Limited | Services to film industry | Ordinary | 100 |
| Ingenious Games Limited | Video games development | Ordinary | 100 |
| Ingenious Games Services Limited | Services to video games industry | Ordinary | 100 |
| Ingenious Holdings Limited | Investment holding company | Ordinary | 100 |
| Ingenious Media Consulting Limited | Management consultancy | Ordinary | 100 |
| Ingenious Media Investments Limited | Services to media, entertainment, clean energy, leisure and sport sector | Ordinary | 100 |
| Ingenious Media Services Limited | Services to film industry | Ordinary | 100 |
| Ingenious Resources Limited | Provision of investment capital | Ordinary | 100 |
| Ingenious Treasury Services Limited | Group treasury function | Ordinary | 100 |
| Ingenious Ventures Limited | Investment management services | Ordinary | 100 |
| Phoenix Nominees Limited | Nominee company | Ordinary | 100 |
| Ingenious Asset Management Holdings Limited | Holding company for asset management business | Ordinary | 75 |
| Ingenious Asset Management International Limited | Discretionary investment management (Guernsey registered) | Ordinary | 75 |
| Ingenious Asset Management Limited | Discretionary investment management (FCA registered) | Ordinary | 75 |
| Ingenious Global IDF G P Limited | Fund management (Bermuda registered) | Ordinary | 75 |

23. Share-based payments

Under the equity-settled share-based payment arrangement, Ingenious Asset Management Holdings Limited ("IAMHL"), a subsidiary of the Company, invited employees of the Company to subscribe for ordinary 'B' shares in IAMHL. A charge is recognised by the Company in return for their services provided in respect of these awards. The vesting period is based on management's best estimate, which was three years at the date of grant.

Details of the share awards granted during the year are as follows:

| | 5 April 2013 £'000s Number of shares | 5 April 2012 £'000s Number of shares |
|--------------------------------|--|--|
| Balance brought forward | 2,500 | 2,500 |
| Issued during the year | - | - |
| Balance carried forward | 2,500 | 2,500 |

The shares were issued at £0.01 per share.

The 2013 fair value charge through the profit and loss attributable to the share awards granted during the year is £131k.

INGENIOUS VENTURES L.P.

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 MARCH 2013

THESE PARTNERSHIP
ACCOUNTS FORM
PART OF THE ACCOUNTS
OF COMPANY
No. 3573626 .

A12 23/12/2013
COMPANIES HOUSE #59

INGENIOUS VENTURES L.P.

Partners

Ingenious Media Active Capital Limited
Ingenious Media Limited
Ingenious Partners Limited *
Ingenious Ventures Limited *

Principal Place of Business

15 Golden Square
London
W1F 9JG

Registered Number

LP7762 (England and Wales)

Auditor

Deloitte LLP
Chartered Accountants
London
EC4A 3TR

Business Address

15 Golden Square
London
W1F 9JG

Bankers

HSBC Private Bank (UK) Limited
78 St James's Street
London
SW1A 1JB

* Partners that do not share in the profits or losses of the Partnership

15 Golden Square
London
W1F 9JG
Tel: 020 7566 1000
Fax: 020 7566 1001
Email: info@ingeniousventures.com

INGENIOUS VENTURES L.P.

CONTENTS

| Reports | Page |
|-----------------------------------|-------------|
| Partners' Report | 1 |
| Independent Auditor's Report | 4 |
| Financial Statements | |
| Profit and Loss Account | 6 |
| Balance Sheet | 7 |
| Cash Flow Statement | 8 |
| Statement of Accounting Policies | 10 |
| Notes to the Financial Statements | 11 |

**PARTNERS' REPORT
YEAR ENDED 31 MARCH 2013**

The participating partners in Ingenious Ventures L P ("the Partnership") submit the Annual Report and Financial Statements of the Partnership for the year ended 31 March 2013, which have been prepared in accordance with The Limited Partnerships Act 1907 and under regulation 4 of The Partnerships (Accounts) Regulations 2008

This Partners' Report has been prepared as if the Partnership were a company in accordance with the provisions applicable to companies subject to the small companies regime under the Companies Act 2006

Principal activity and review of the business

The principal activity of the Partnership for the year under review was to make investments in media and entertainment companies

The partners of the Partnership signed a partnership agreement on 2 October 2008 ("the Partnership Agreement") which expires on 31 December 2018

During the year the Partnership acquired no new investments. The Partnership acquired additional shares in Cream Holdings Limited and subsequently sold it on 9 May 2012

Going concern

The Partnership has appointed Ingenious Ventures to support its investment policy. Ingenious Ventures ("the Manager") was a trading division of Ingenious Asset Management Limited until 5 April 2012 after which it became a trading division of Ingenious Capital Management Limited. The Manager successfully sold the majority of the last active investment of the Partnership, Cream Holdings Limited, on 9 May 2012. The Manager does not have any immediate plans to make any further investments in new or existing investee companies. The partners have agreed to continue funding the Partnership until all the investments have been completely exited.

Trade and other payables owing are payable to Ingenious Media Limited, a partner in the Partnership. Ingenious Media Limited has confirmed that it will not request repayment of these amounts unless the Partnership has the ability to repay.

After making enquiries, the partners have a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

Principal risks and uncertainties

The general economic downturn is a continuing risk for the Partnership. Principal risks for the Partnership are discussed in the Annual Report and Financial Statements of the controlling partner, Ingenious Media Active Capital Limited ("IMAC").

Financial risk management

The Partnership is exposed to financial risk through its financial assets and liabilities. The most important components of financial risk are

(a) Liquidity risk

The Partnership manages its cash to ensure it has sufficient liquid resources to meet the operating needs of the business. The partners have agreed to continue funding the Partnership until the investments can be exited.

PARTNERS' REPORT (continued)
YEAR ENDED 31 MARCH 2013

Financial risk management (continued)

(b) Market risk

Market price risk arises principally from uncertainty concerning future values of financial instruments used in the Partnership's operations. The partners constantly monitor the market fluctuation through the Manager of the Partnership.

Creditors payment policy

The Partnership does not follow any specific code or standard on payment of creditors. The Partnership agrees the payment terms as part of the commercial arrangement negotiated with suppliers. Payments are made on these terms provided the supplier meets its obligations.

Statement of partners' responsibilities

The partners are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations. The partners are required by United Kingdom law to prepare financial statements for each financial year which 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 doing so, the partners are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is deemed to be inappropriate.

The partners are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Partnership and to enable them to ensure that the financial statements comply with the Partnership Agreement, The Limited Partnerships Act 1907 and The Partnerships (Accounts) Regulations 2008. 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.

PARTNERS' REPORT (continued)
YEAR ENDED 31 MARCH 2013

Auditor

Each of the persons who is a partner at the date of approval of this report confirms that so far as the partner is aware there is no relevant audit information of which the Partnership's auditor is unaware and the partners 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, as applicable to limited partnerships

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 of the Companies Act 2006, as applicable to limited partnerships



N A Forster

Director

For and on behalf of Ingenious Capital Management Limited

Manager

Approved on 17/12/13

LP7762 (England and Wales)

INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS OF INGENIOUS VENTURES L.P.

We have audited the financial statements of Ingenious Ventures L.P. for the year ended 31 March 2013 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Accounting Policies and related notes 1 to 8. 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 Partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited partnerships by The Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the Partnership'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 limited partnership and the limited partnership's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As explained more fully in the statement of partners' responsibilities, the members 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 limited partnership's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the members, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. 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 limited partnership's affairs as at 31 March 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited partnerships.

INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS OF INGENIOUS VENTURES L.P.

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, as applied to limited partnerships, 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
- we have not received all the information and explanations we require for our audit, or
- the partners were not entitled to take advantage of the small companies exemption in preparing the Partners' Report



Calum Thomson (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditors

London, United Kingdom

Date 17.12.17

PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2013

| | Notes | 2013 £ '000s | 2012 £ '000s |
|---------------------------------------|-------|-----------------|-----------------|
| Increase in fair value of investments | 2 | 3,564 | 7,526 |
| Administrative expenses | | <u>(15)</u> | <u>(8)</u> |
| Operating profit | 1 | <u>3,549</u> | <u>7,518</u> |
| Profit for the financial year | | 3,549 | 7,518 |

The accounting policies and notes to the financial statements on pages 10 to 14 form an integral part of the financial statements

All of the Partnership's operating activities derived from continuing operations during the current and prior financial year

The Partnership 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

INGENIOUS VENTURES L.P.

BALANCE SHEET AS AT 31 MARCH 2013

| | Notes | 2013 £ '000s | 2012 £ '000s |
|---|-------|----------------------|----------------------|
| Fixed assets | | | |
| Investments | 2 | <u>430</u> | <u>10,963</u> |
| Current assets | | | |
| Cash at bank and in hand | | <u>18</u> | <u>3</u> |
| | | 18 | 3 |
| Creditors: amounts falling due within one year | 3 | <u>(14)</u> | <u>(6)</u> |
| Net current assets/(liabilities) | | <u>4</u> | <u>(3)</u> |
| Net assets | | <u>434</u> | <u>10,960</u> |
| Capital and reserves | | | |
| Partners' loan accounts | 4 | <u>(10,844)</u> | <u>3,231</u> |
| Partners' income accounts | 4 | <u>11,278</u> | <u>7,729</u> |
| Partners' funds | 5 | <u>434</u> | <u>10,960</u> |

The accounting policies and notes to the financial statements on pages 10 to 14 form an integral part of the financial statements

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime, as applicable to limited partnerships

Signed for and on behalf of the partners by Ingenious Capital Management Limited on

2013



N A Forster

Director

For and on behalf of Ingenious Capital Management Limited

Manager

Approved and authorised for issue on 17/12/13

LP7762 (England and Wales)

CASH FLOW STATEMENT
YEAR ENDED 31 MARCH 2013

| | Notes | 2013 £ '000s | 2012 £ '000s |
|---|-------|-----------------|-----------------|
| Cash flow from operating activities | A | (7) | 337 |
| Capital expenditure and financial investments | B | <u>14,097</u> | <u>-</u> |
| Net cash flow before financing | | <u>14,090</u> | <u>337</u> |
| Financing | B | <u>(14,075)</u> | <u>(367)</u> |
| Increase/(decrease) in cash in the year | C | <u>15</u> | <u>(30)</u> |

CASH FLOW STATEMENT (continued)
YEAR ENDED 31 MARCH 2013

A) Reconciliation of operating profit to net cash flow from operating activities

| | 2013 £ '000s | 2012 £ '000s |
|--|-------------------|-------------------|
| Operating profit | 3,549 | 7,518 |
| Increase/(decrease) in creditors | 8 | (30) |
| Decrease in debtors | - | 375 |
| Fair value adjustment on investments | <u>(3,564)</u> | <u>(7,526)</u> |
| Net cash flow from operating activities | <u>(7)</u> | <u>337</u> |

B) Analysis of cash flows

| | 2013 £ '000s | 2012 £ '000s |
|--|------------------------|---------------------|
| Capital expenditure and financial investments | | |
| Purchase of investments | (934) | - |
| Sale of investments | <u>15,031</u> | <u>-</u> |
| | <u>14,097</u> | <u>-</u> |
| Financing | | |
| Loans advanced from partners | 934 | - |
| Repayments to partners | <u>(15,009)</u> | <u>(367)</u> |
| | <u>(14,075)</u> | <u>(367)</u> |

C) Analysis and reconciliation of net funds

| | 2013 £ '000s | 2012 £ '000s |
|---|------------------|-----------------|
| Increase/(decrease) in cash in the year | <u>15</u> | <u>(30)</u> |
| Net cash carried forward | <u>18</u> | <u>3</u> |

**STATEMENT OF ACCOUNTING POLICIES
YEAR ENDED 31 MARCH 2013**

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

Basis of accounting

The accounts have been prepared in accordance with UK Generally Accepted Accounting Practice, The Limited Partnerships Act 1907 and under regulation 4 of The Partnerships (Accounts) Regulations 2008. The accounts have been prepared on the historical cost basis, except for the revaluation of certain fixed assets.

After making enquiries, the partners have a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

Further details regarding the adoption of the going concern basis can be found in the Partners' Report on pages 1 to 3.

Unquoted investments

Unquoted investments are stated at fair value in accordance with the International Private Equity and Venture Capital Valuation guidelines. The fair value of such investments is determined by using generally accepted valuation techniques in a consistent manner based on reasonable assumptions.

Gains and losses on investments

Unrealised gains or losses arising from the revaluation of investments are reflected in the Profit and Loss Account.

Expenses

All expenses are accounted for on an accruals basis. Expenses are charged wholly to the Profit and Loss Account, with the exception of expenses incidental to the acquisition or disposal of an investment, which are included within the cost of the investment or deducted from the disposal proceeds as appropriate.

Taxation

Under tax legislation, any taxable profits of the Partnership are assessed on each of the equity partners and therefore no taxation provision is necessary in these accounts.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

1. Operating profit

| | 2013 £ '000s | 2012 £ '000s |
|---|-----------------|-----------------|
| This is stated after charging | | |
| Auditor's remuneration - fee for the year | 3 | 3 |
| Other professional fees | 12 | 23 |

2. Fixed asset investments

| | Shares in participating interests £ '000s | Total £ '000s |
|---------------------------|--|------------------|
| Cost and valuation | | |
| As at 1 April 2012 | 10,963 | 10,963 |
| Additions | 934 | 934 |
| Disposals | (15,031) | (15,031) |
| Fair value adjustment | 3,564 | 3,564 |
| At 31 March 2013 | 430 | 430 |
| Cost and valuation | | |
| As at 1 April 2011 | 3,437 | 3,437 |
| Fair value adjustment | 7,526 | 7,526 |
| At 31 March 2012 | 10,963 | 10,963 |

In April 2012 the Partnership acquired additional shares in Cream Holdings Limited, increasing the shareholding from 47% to 73.5%. On 9 May 2012, the Partnership successfully sold the majority of its shareholding in Cream Holdings Limited for an upfront consideration of £14.8 million. The remaining shareholding has been disposed of post year end.

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2013

3. Creditors: amounts falling due within one year

| | 2013 £ '000s | 2012 £ '000s |
|-----------------------------------|-----------------|-----------------|
| Amounts due to group undertakings | 9 | 6 |
| Other creditors | 5 | - |
| | <u>14</u> | <u>6</u> |

4. Partners' accounts

| | IMAC £ '000s | Ingenious Media Limited £ '000s | Total £ '000s |
|---|-----------------|---------------------------------------|------------------|
| Loan accounts | | | |
| At 1 April 2012 | 2,716 | 515 | 3,231 |
| Additional loans | 841 | 93 | 934 |
| Repayments | (13,508) | (1,501) | (15,009) |
| At 31 March 2013 | <u>(9,951)</u> | <u>(893)</u> | <u>(10,844)</u> |
| Income accounts | | | |
| At 1 April 2012 | 7,166 | 563 | 7,729 |
| Share of profit for the financial year | 3,195 | 354 | 3,549 |
| At 31 March 2013 | <u>10,361</u> | <u>917</u> | <u>11,278</u> |

Partners' loans are interest free and are repayable when the Partnership has sufficient cash funds or at the termination of the Partnership

Profits and losses are shared in accordance with the Partnership Agreement dated 2 October 2008

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2013

5. Reconciliation of movements in partners' funds

| | 2013 £ '000s | 2012 £ '000s |
|---|-----------------|-----------------|
| Additional loans | 934 | - |
| Loan repayments | (15,009) | (367) |
| Profit for the financial year | <u>3,549</u> | <u>7,518</u> |
| Net movement in partners' funds | (10,526) | 7,151 |
| Opening partners' funds at 1 April 2012 | <u>10,960</u> | <u>3,809</u> |
| Closing partners' funds at 31 March 2013 | <u>434</u> | <u>10,960</u> |

6. Related party transactions

Patrick McKenna is a director and the ultimate controlling partner of Ingenious Media Limited and is a director and shareholder of Ingenious Partners Limited, and both companies are partners in the Partnership

Patrick McKenna holds a beneficial interest in the share capital of Ingenious Ventures Limited, also a partner in the Partnership

Patrick McKenna is a director of both Ingenious Media Active Capital Limited, a partner in the Partnership, and Ingenious Capital Management Limited, the Partnership's Manager. Ingenious Capital Management Limited is a subsidiary within the Ingenious Media Holdings plc group ("the Group") which is controlled by Patrick McKenna

The Partnership had a participating interest in Cream Holdings Limited. Patrick McKenna was a director of Cream Holdings Limited until it was sold by the Partnership on 9 May 2012

Transactions between related parties

- a. Patrick McKenna was a director of Cream Holdings Limited. During the year he received a fee of £130,000 from Cream Holdings Limited (consultancy fee, salary, termination of consultancy agreement and compensation for loss of office)
- b. Ingenious Media Consulting Limited, a wholly-owned subsidiary within the Group which is controlled by Patrick McKenna, received a fee of £50,000 during the year for the provision of finance director and financial controller support to Cream Holdings Limited. It also received a fee of £200,000 for termination of consultancy agreement

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2013

7. Staff costs

The Partnership did not incur any staff costs during the year (2012 £nil) as the Partnership did not employ any staff during the year (2012 none). All administrative duties of the Partnership are performed by the Manager of the Partnership.

8. Ultimate controlling party

During the year ended 31 March 2013 the ultimate controlling party was Ingenious Media Active Capital Limited, which is the only parent undertaking for which consolidated financial statements are prepared.