

# **INGENIOUS CORPORATE FINANCE LIMITED**

## **REPORTS AND FINANCIAL STATEMENTS**

**15 MONTH PERIOD ENDED 30 JUNE 2015**

WEDNESDAY



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COMPANIES HOUSE

Company Registration Number  
03894400 (England and Wales)

## INGENIOUS CORPORATE FINANCE LIMITED

**Directors** J L Boyton  
N C Harvey  
P A McKenna  
D M Reid  
P W Vorster

**Company Secretary** S J Cruickshank

**Registered Office** 15 Golden Square  
London  
W1F 9JG

**Registered Number** 03894400 (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

Barclays Bank plc  
1 Churchill Place  
London  
E14 5HP

## **INGENIOUS CORPORATE FINANCE LIMITED**

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**STRATEGIC REPORT**  
**30 JUNE 2015**

The directors present the Report and Financial Statements of Ingenious Corporate Finance Limited ("the Company") for the period from 6 April 2014 to 30 June 2015 ("the period").

**Business review**

The Company is a wholly-owned subsidiary of Ingenious Media Limited, which is a wholly-owned subsidiary within the Ingenious Media Holdings plc group ("the Group"). The Company's principal activity remains the provision of corporate finance services to the media and technology industries. The Company is authorised and regulated by the Financial Conduct Authority (FCA). 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.

**Results and dividends**

The results for the period are set out on page 7.

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

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

**Future developments**

The Company intends to continue to undertake its principal activity.

**Principal risks and uncertainties**

The key business risks faced by the Company can be affected by a number of factors some of which may result from matters beyond the Company's control. This may include for example 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 Reports and Financial Statements.

**Financial risk management**

**(a) 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 Reports and Financial Statements.

**(b) Credit risk**

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

**STRATEGIC REPORT (CONTINUED)**  
**30 JUNE 2015**

**Financial risk management (continued)**

**(c) Interest rate risk**

The Company is exposed to interest rate risk on its borrowings and deposit balances. The Company negotiates a fixed margin of interest payable on borrowings and seeks to maximise its margin on interest receivable, subject to the requirements of liquidity risk noted above.

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



**P W Vorster**

Director

Date: 20/10/2015

Registered office  
15 Golden Square  
London, United Kingdom  
W1F 9JG

Company Registration Number: 03894400 (England and Wales)

**DIRECTORS' REPORT**  
**30 JUNE 2015**

**Directors**

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

	Appointment Date	Resignation Date
J L Boyton		
N A Forster		23 October 2015
N C Harvey		
P A McKenna		
D M Reid		
P W Vorster	23 October 2015	

**Provision of insurance to directors**

All directors were covered by Directors and Officers liability insurance throughout the period under review and this will continue to remain in force.

**Creditors payment policy**

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

**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 Report and Financial Statements.

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

**Directors' remuneration**

Directors' remuneration is disclosed in note 3 to the financial statements.

**DIRECTORS' REPORT (CONTINUED)**  
**30 JUNE 2015**

**Statement of Directors' Responsibilities**

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and group 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.

**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:



**P W Vorster**

Director

Date: 20/10/2015

Registered office

15 Golden Square

London

W1F 9JG

Company Registration Number: 03894400 (England and Wales)

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INGENIOUS CORPORATE FINANCE LIMITED**

We have audited the financial statements of Ingenious Corporate Finance Limited for the period ended 30 June 2015 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Accounting Policies and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2015 and of its profit for the period then ended;
- have been 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 Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INGENIOUS CORPORATE FINANCE 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: 20/10/2015

**PROFIT AND LOSS ACCOUNT**  
**PERIOD ENDED 30 JUNE 2015**

	Notes	Period ended 30 June 2015 £ '000s	Year ended 5 April 2014 £ '000s
<b>Turnover</b>	1	<b>3,243</b>	2,168
Cost of sales		<u>-</u>	<u>(46)</u>
<b>Gross profit</b>		<b>3,243</b>	2,122
Administrative expenses		<u>(2,819)</u>	<u>(2,119)</u>
<b>Operating profit</b>	2	<b>424</b>	3
Share of profits from partnerships	7	<b>102</b>	123
Interest receivable and similar income	4	<b>3</b>	-
Interest payable and similar charges	5	<u>(216)</u>	<u>(237)</u>
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>313</b>	(111)
Taxation	6	<u>(45)</u>	<u>255</u>
<b>Profit for the financial period/year</b>	13	<b>268</b>	144

The accounting policies and notes on pages 9 to 15 form an integral part of these financial statements.

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

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

**BALANCE SHEET**  
**AS AT 30 JUNE 2015**

	Notes	30 June 2015 £ '000s	5 April 2014 £ '000s
<b>Fixed assets</b>			
Investments	7	<u>2,786</u>	<u>4,492</u>
<b>Current assets</b>			
Debtors	8	<u>1,728</u>	<u>1,402</u>
Cash at bank and in hand		<u>307</u>	<u>240</u>
		<b>2,035</b>	<b>1,642</b>
<b>Creditors: Amounts falling due within one year</b>	9	<u>(1,166)</u>	<u>(950)</u>
<b>Net current assets</b>		<u><b>869</b></u>	<u><b>692</b></u>
<b>Total assets less current liabilities</b>		<b>3,655</b>	<b>5,184</b>
<b>Creditors: Amounts falling due after more than one year</b>	10	<u>(1,827)</u>	<u>(3,413)</u>
<b>Provision for liabilities and charges</b>	11	<u>(756)</u>	<u>(967)</u>
<b>Net assets</b>		<u><b>1,072</b></u>	<u><b>804</b></u>
<b>Capital and reserves</b>			
Called up share capital	12	<u>31</u>	<u>31</u>
Profit and loss account	13	<u>1,041</u>	<u>773</u>
<b>Shareholder's funds</b>	14	<u><b>1,072</b></u>	<u><b>804</b></u>

The accounting policies and notes on pages 9 to 15 form an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 20/10/ 2015.

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



**P W Vorster**  
Director

Company Registration Number: 03894400 (England and Wales)

**STATEMENT OF ACCOUNTING POLICIES**

**30 JUNE 2015**

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

**Basis of accounting**

The Report and Financial Statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards.

**Accounting period**

The Company has changed its financial year end from 5 April to 30 June to align with group accounting policy. The financial statements are stated as at 30 June with a 15 month period of financial performance. Comparative figures are stated as at 5 April 2014 for the 12 month period ended as at that date.

**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. Having assessed the risks facing the business as set out in the Directors' Report, its financial position and profit and cashflow forecasts, the directors believe that the Company is well placed to manage its business successfully despite the current uncertain economic outlook. Therefore, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Report and Financial Statements.

**Cash flow**

The Report and Financial Statements do not include a Cash Flow Statement because the Company, as a wholly-owned subsidiary, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 (Revised) 'Cash flow statements'. The Company's Cash Flow activity is reported on consolidation within the Group financial statements.

**Turnover**

Turnover represents amounts receivable for services provided in the normal course of business, net of VAT.

**Cost of sales**

Cost of sales represents direct costs attributable to turnover.

**Investments**

*Investments in partnerships.*

The investments in partnerships balance is stated at the Company's share of net assets at the period end. The Company's share of the partnerships' operating profit or loss is included in the Profit and Loss Account.

**STATEMENT OF ACCOUNTING POLICIES (CONTINUED)**  
**30 JUNE 2015**

**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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**30 JUNE 2015**

**1. Turnover**

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

**2. Operating profit**

	Period ended 30 June 2015 £ '000s	Year ended 5 April 2014 £ '000s
This is stated after charging:		

Fees for the audit of the Company	11	10
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Fees payable to the Company's auditor, Deloitte LLP, and their associates for non-audit services provided to the Company are not required to be disclosed as these fees are disclosed in the Group consolidated financial statements.

**3. Staff costs**

The Company incurred no staff costs nor paid any remuneration to its directors during the period (year ended 5 April 2014: £nil). The Company had no employees during the current period and prior year.

The emoluments of the directors were paid and borne by other Group undertakings and none of their remuneration was specifically attributable to their services to the Company.

The Profit and Loss Account reflects a charge of £2,143k (year ended 5 April 2014: £1,481k) in respect of costs allocated by other Group companies based upon time spent on the Company's activities.

**4. Interest receivable and similar income**

	Period ended 30 June 2015 £ '000s	Year ended 5 April 2014 £ '000s
Bank interest	3	-

**5. Interest payable and similar charges**

	Period ended 30 June 2015 £ '000s	Year ended 5 April 2014 £ '000s
Interest payable on bank loans	216	212
Intra-Group interest payable	-	25
	216	237

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**30 JUNE 2015**

**6. Taxation**

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

	Period ended 30 June 2015 £ '000s	Year ended 5 April 2014 £ '000s
UK Corporation tax at 21% for the period from 6 April 2014 to 31 March 2015 and 20% for the period from 1 April 2015 to 30 June 2015 (23% for the period from 6 April 2013 to 31 March 2014 and 21% for the period from 1 April 2014 to 5 April 2014) based on the adjusted results for the period/year	256	-
Adjustments in respect of prior years	-	1
Current tax charge	256	1
Deferred tax credit for the period/year (note 11)	(219)	(256)
Deferred tax adjustment in respect of prior years	8	-
<b>Total tax charge/(credit) on profit/(loss) on ordinary activities</b>	<b>45</b>	<b>(255)</b>

Factors affecting tax charge for the period

	Period ended 30 June 2015 £ '000s	Year ended 5 April 2014 £ '000s
<b>Profit/(loss) on ordinary activities before taxation</b>	<b>313</b>	<b>(111)</b>

Profit/(loss) on ordinary activities for the period multiplied by standard rate of corporation tax in the UK of 21% for the period from 6 April 2014 to 31 March 2015 and 20% for the period from 1 April 2015 to 30 June 2015 (23% for the period from 6 April 2013 to 31 March 2014 and 21% for the period from 1 April 2014 to 5 April 2014) based on the adjusted results for the period/year

Effects of:

Adjustment resulting from investment in film partnerships	206	161
Utilisation of tax losses brought forward	(13)	-
Expenses not deductible for tax purposes	7	16
Group relief claimed	-	(152)
Adjustments in respect of prior years	-	1
Transfer pricing adjustment	(9)	-
<b>Current tax charge</b>	<b>256</b>	<b>1</b>

The standard rate of UK corporation tax was reduced from 23% to 21% with effect from 1 April 2014, and from 21% to 20% with effect from 1 April 2015. As a result a blended rate of corporation tax is used for the period from 6 April 2014 to 30 June 2015. The UK Government announced a reduction in the main rate of UK corporation tax to 19% with effect from 1 April 2017 and to 18% from 1 April 2020. These changes have not been substantively enacted and have therefore not been reflected in the figures above. The impact of the future rate reductions will be accounted for to the extent they are enacted at future balance sheet dates. The rate used of 20% is that currently enacted.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**30 JUNE 2015**

**7. Fixed asset investments**

	30 June 2015 £ '000s	5 April 2014 £ '000s
<b>Share of net assets</b>		
Balance brought forward	4,492	5,209
Additions		
Drawing	(1,808)	(840)
Profits	102	123
<b>Balance carried forward</b>	<b>2,786</b>	<b>4,492</b>

The investment in an associated partnership represents a 62% (year ended 5 April 2014 - 62%) partnership share in Pall Mall Film Partners which had net assets at 5 April 2015 of £6.0m (year ended 5 April 2014 - £7.3m) and a profit for the year then ended of £166k (year ended 5 April 2014 - £199k). The principal place of business for this partnership is 15 Golden Square, London, W1F 9JG.

This interest is an investment in a qualifying partnership. Since the partnership has been consolidated within the Group accounts of the Company's ultimate parent undertaking, a copy of the accounts of Pall Mall Film Partners will not be appended to the copy of the Company's accounts to be sent to the Registrar of Companies in accordance with the exemptions under regulation 7 of The Partnerships (Accounts) Regulations 2008.

**8. Debtors**

	30 June 2015 £ '000s	5 April 2014 £ '000s
Amounts falling due within one year:		
Trade debtors	237	331
Amounts owed by Group undertakings	1,369	1,053
Prepayments and accrued income	122	18
	<b>1,728</b>	<b>1,402</b>

**9. Creditors: Amounts falling due within one year**

	30 June 2015 £ '000s	5 April 2014 £ '000s
Bank loans	835	673
Trade creditors	18	4
Social security and other taxes	29	52
Corporation tax	256	-
Accruals and deferred income	28	221
	<b>1,166</b>	<b>950</b>



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**30 JUNE 2015**

**10. Creditors: Amounts falling due after more than one year**

	30 June 2015 £ '000s	5 April 2014 £ '000s
Amounts due between one and two years	927	751
Amounts due between two and five years	900	2,662
<b>Bank Loans</b>	<b>1,827</b>	<b>3,413</b>

The bank loans are secured by the Company's share of lease rental income receivable by the partnership in which the Company has made an investment (note 7), and are repayable within five years. The interest rate on the three loans is fixed. An average interest rate of 4.48% per annum is payable on these loans.

**11. Provisions for liabilities and charges**

<i>Deferred taxation</i>	30 June 2015 £ '000s	5 April 2014 £ '000s
Balance brought forward	967	1,223
Deferred tax credit in Profit and Loss Account	(219)	(256)
Prior year adjustments	8	-
<b>Balance carried forward</b>	<b>756</b>	<b>967</b>

The standard rate of UK corporation tax was reduced from 21% to 20% with effect from 1 April 2015. The Finance Act 2013, which provides for the reduction in the main rate of UK corporation tax to 20% (effective from 1 April 2015), was enacted on 17 July 2013.

As the change in rate was enacted prior to 30 June 2015, it has been reflected in the UK deferred tax balances (where recognised) at 30 June 2015.

**12. Called up share capital**

	Allotted, called up and fully paid			
	30 June 2015 £	No	5 April 2014 £	No
Ordinary shares of £1 each	31,001	31,001	31,001	31,001

**13. Statement of movements on Profit and Loss Account**

	30 June 2015 £ '000s	5 April 2014 £ '000s
Balance brought forward	773	629
Profit for the financial period/year	268	144
<b>Balance carried forward</b>	<b>1,041</b>	<b>773</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**30 JUNE 2015**

**14. Reconciliation of movements in shareholder's funds**

	30 June 2015 £ '000s	5 April 2014 £ '000s
Profit for the financial period/year	268	144
Net movement in shareholder's funds	268	144
Shareholder's funds brought forward	804	660
<b>Shareholder's funds carried forward</b>	<b>1,072</b>	<b>804</b>

**15. Related party transactions**

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

**16. Controlling party**

During the period ended 30 June 2015 the Company was a wholly-owned subsidiary of Ingenious Media Limited, a company registered in England and Wales. Ingenious Media Limited is a wholly-owned subsidiary within the Group. Ingenious Media Holdings plc is the only parent undertaking for which consolidated financial statements are prepared.

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

During the period under review, the controlling shareholder of Ingenious Media Holdings plc was P A McKenna.

**17. Contingent liability**

On 17 July 2014 the Finance Bill 2014 received Royal Assent and under Chapter 3 of Part 4 of the Bill, HMRC is empowered to issue accelerated payment notices requiring taxpayers to make immediate payments of tax in certain circumstances where there is tax in dispute, in advance of any resolution of that dispute. To date, no such notice has been received in respect of the Company but the directors consider that it is possible that in the future, the Company may be subject to an accelerated payment notice in respect of some or all of the tax years not yet agreed with HMRC. The exact amount of any accelerated payment notice cannot be known until received (if indeed any are received at all).