

INGENIOUS CORPORATE FINANCE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

5 APRIL 2014

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COMPANIES HOUSE

Company Registration Number
03894400 (England and Wales)

INGENIOUS CORPORATE FINANCE LIMITED

Directors J L Boyton
N A Forster
N C Harvey
P A McKenna
D M Reid

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
5 APRIL 2014

The directors present the Annual Report and Financial Statements of Ingenious Corporate Finance Limited ("the Company") for the year ended 5 April 2014.

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 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 year are set out on page 6.

There was no interim dividend paid during the year (year ended 5 April 2013 - £Nil).

The directors do not propose to pay a final dividend (year ended 5 April 2013 - £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 Annual Report and Financial Statements.

Financial risk management

The Company is exposed to financial risk through its financial assets and liabilities. The settlement of trade debtors is the Company's primary financial risk. The corresponding debtor position in the Company's Balance Sheet is monitored regularly.

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



N A Forster

Director

Date: 25.07.14

Registered office
15 Golden Square
London
W1F 9JG

Company Registration Number: 03894400 (England and Wales)

DIRECTORS' REPORT
5 APRIL 2014

Directors

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

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

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.

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.

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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 2014

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:



N A Forster

Director

Date: 25.07.14

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 year ended 5 April 2014 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Accounting Policies and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 annual 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 5 April 2014 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 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: **25.7.14.**

PROFIT AND LOSS ACCOUNT
5 APRIL 2014

	Notes	Year ended 5 April 2014 £ '000s	Year ended 5 April 2013 £ '000s
Turnover	1	2,168	1,096
Cost of sales		<u>(46)</u>	-
Gross profit		2,122	1,096
Administrative expenses		<u>(2,119)</u>	<u>(1,464)</u>
Operating profit/(loss)	2	3	(368)
Share of profits from partnerships	6	123	141
Interest payable and similar charges	4	<u>(237)</u>	<u>(267)</u>
Loss on ordinary activities before taxation		(111)	(494)
Taxation	5	<u>255</u>	<u>209</u>
Profit/(loss) for the financial year	12	144	(285)

The accounting policies and notes on pages 8 to 14 form an integral part of these financial statements.

All of the Company's profit/(loss) 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
5 APRIL 2014

	Notes	5 April 2014 £ '000s	5 April 2013 £ '000s
Fixed assets			
Investments	6	<u>4,492</u>	<u>5,209</u>
Current assets			
Debtors	7	<u>1,402</u>	<u>1,324</u>
Cash at bank and in hand		<u>240</u>	<u>318</u>
		1,642	1,642
Creditors: Amounts falling due within one year	8	<u>(950)</u>	<u>(882)</u>
Net current assets		<u>692</u>	<u>760</u>
Total assets less current liabilities		5,184	5,969
Creditors: Amounts falling due after more than one year	9	(3,413)	(4,086)
Provision for liabilities and charges	10	<u>(967)</u>	<u>(1,223)</u>
Net assets		<u>804</u>	<u>660</u>
Capital and reserves			
Called up share capital	11	<u>31</u>	<u>31</u>
Profit and loss account	12	<u>773</u>	<u>629</u>
Shareholder's funds	13	<u>804</u>	<u>660</u>

The accounting policies and notes on pages 8 to 14 form an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 25.04.2014.

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



N A Forster
Director

Company Registration Number: 03894400 (England and Wales)

STATEMENT OF ACCOUNTING POLICIES
5 APRIL 2014

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

Basis of accounting

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

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 Annual Report and Financial Statements.

Cash flow

The Annual 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'.

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 year 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)

5 APRIL 2014

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
5 APRIL 2014

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.

2. Operating profit/(loss)

	Year ended 5 April 2014 £ '000s	Year ended 5 April 2013 £ '000s
This is stated after charging:		
Fees for the audit of the Company	10	10

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 year (year ended 5 April 2013: £nil). The Company had no employees during the current and prior year.

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

The Profit and Loss Account reflects a charge of £1,381k (year ended 5 April 2013: £1,185k) in respect of costs allocated by other Group companies based upon time spent on the Company's activities.

4. Interest payable and similar charges

	Year ended 5 April 2014 £ '000s	Year ended 5 April 2013 £ '000s
Interest payable on bank overdrafts and bank loans	212	244
Intra-Group interest payable	25	23
	237	267

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 APRIL 2014

5. Taxation

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

	Year ended 5 April 2014 £ '000s	Year ended 5 April 2013 £ '000s
UK corporation tax at 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 (period from 6 April 2012 to 31 March 2013: 24%; period from 1 April 2013 to 5 April 2013: 23%) based on the adjusted results for the year	-	-
Adjustments in respect of prior years	1	-
Current tax charge	1	-
Deferred tax credit for the year (note 10)	(256)	(209)
Tax credit on profit on ordinary activities	(255)	(209)

Factors affecting tax charge for the year:

	Year ended 5 April 2014 £ '000s	Year ended 5 April 2013 £ '000s
Loss on ordinary activities before taxation	(111)	(494)
Loss on ordinary activities for the period multiplied by standard rate of corporation tax in the UK of 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 (period from 6 April 2012 to 31 March 2013: 24%; period from 1 April 2013 to 5 April 2013: 23%)	(25)	(118)
Effects of:		
Adjustment resulting from investment in film partnerships	161	156
Expenses not deductible for tax purposes	16	7
Group relief claimed	(152)	(45)
Adjustments in respect of prior years	1	-
Current tax charge	1	-

UK corporation tax is calculated at 23% of the estimated assessable profits for the period.

The standard rate of UK corporation tax was reduced from 24% to 23% with effect from 1 April 2013. The Finance Act 2013, which provides for reductions in the main rate of UK corporation tax to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015), was enacted on 17 July 2013.

As the changes in rate were substantively enacted prior to 31 March 2014, they have been reflected in the UK deferred tax balances (where recognised) at 31 March 2014.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 APRIL 2014

6. Fixed asset investments

	5 April 2014 £ '000s	5 April 2013 £ '000s
Share of net assets		
Balance brought forward	5,209	5,868
Additions		
Drawing	(840)	(800)
Profits	123	141
Balance carried forward	4,492	5,209

The investment in an associated partnership represents a 62% (year ended 5 April 2013 - 62%) partnership share in Pall Mall Film Partners which had net assets at 5 April 2014 of £7.3m (year ended 5 April 2013 - £8.5m) and a profit for the year then ended of £0.2m (year ended 5 April 2013 - £0.2m). 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.

7. Debtors

	5 April 2014 £ '000s	5 April 2013 £ '000s
Amounts falling due within one year:		
Trade debtors	331	147
Amounts owed by Group undertakings	1,053	1,173
Prepayments and accrued income	18	4
	1,402	1,324

8. Creditors: Amounts falling due within one year

	5 April 2014 £ '000s	5 April 2013 £ '000s
Bank loans and overdrafts	673	599
Trade creditors	4	4
Social security and other taxes	52	48
Accruals and deferred income	221	231
	950	882

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
5 APRIL 2014

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

	5 April 2014 £ '000s	5 April 2013 £ '000s
Due within one to two years	751	673
Due within two to five years	2,662	2,513
Due thereafter	-	900
Bank Loans	3,413	4,086

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 6), 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.

10. Provisions for liabilities and charges

<i>Deferred taxation</i>	5 April 2014 £ '000s	5 April 2013 £ '000s
Balance brought forward	1,223	1,432
Deferred tax credit in Profit and Loss Account	(256)	(209)
Balance carried forward	967	1,223

The deferred tax provision arises due to the investment in a British film partnership and is expected to reverse by 2020.

11. Called up share capital

	Allotted, called up and fully paid			
	5 April 2014		5 April 2013	
	£	No	£	No
Ordinary shares of £1 each	31,001	31,001	31,001	31,001

12. Statement of movements on Profit and Loss Account

	5 April 2014 £ '000s	5 April 2013 £ '000s
Balance brought forward	629	914
Profit/(loss) for the financial year	144	(285)
Balance carried forward	773	629

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
5 APRIL 2014

13. Reconciliation of movements in shareholder's funds

	5 April 2014 £ '000s	5 April 2013 £ '000s
Profit/(loss) for the financial year	<u>144</u>	<u>(285)</u>
Net movement in shareholder's funds	144	(285)
Shareholder's funds brought forward	<u>660</u>	<u>945</u>
Shareholder's funds carried forward	<u>804</u>	<u>660</u>

14. 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'.

15. Controlling party

During the year ended 5 April 2014 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 year under review, the controlling shareholder of Ingenious Media Holdings plc was P A McKenna.

16. Contingent liability

During the prior year, the Company's parent undertaking agreed to bear costs on behalf of the Company. The costs will not be recharged until such time as the Company has sufficient financial resources available to incur those costs and meet its regulatory requirements. As at 5 April 2014, Ingenious Media Ltd had borne costs of £0.65m on behalf of the Company.

In light of the current trading performance of the Company, the Company's parent undertaking will continue to review the recharge of costs with effect from 6 April 2014.