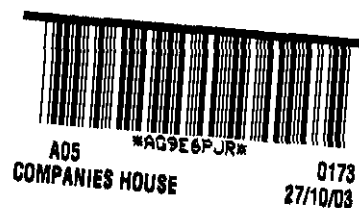


04120100 .

# **Ingenious Media Consulting Limited**

**Annual Report and Financial Statements**

**31st March 2003**



Company Registration Number  
04120100 (England and Wales)

# Ingenious Media Consulting Limited

Directors	P A McKenna D M Reid J L Boyton K T Mead
Secretary	D M Reid
Registered office	12 New Fetter Lane London EC4A 1AG
Registered number	04120100 (England and Wales)
Auditors	Buzzacott 12 New Fetter Lane London EC4A 1AG
Solicitors	Harbottle and Lewis Hanover House 14 Hanover Square London W1S 1HP
Bankers	HSBC Republic Bank (UK) Limited 31 Hill Street London W1J 5LS

# **Ingenious Media Consulting Limited**

## **REPORT AND FINANCIAL STATEMENTS 2003**

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# Ingenious Media Consulting Limited

## DIRECTORS' REPORT

31st March 2003

The directors present their report with the financial statements of the company for the year ended 31st March 2003.

### Principal activity

The principal activity of the company in the year under review was the provision of management consultancy services within the entertainment sector.

### Review of business and future developments

A summary of the results of the year's trading is given on page 5 of the accounts. The directors consider the results and the financial position at the year end to be satisfactory and anticipate continued growth in the foreseeable future.

### Dividends

The directors do not recommend payment of dividends and the retained profit for the year is transferred to reserves.

### Directors

The directors in office during the year and their beneficial interests in the issued ordinary share capital were as follows:

	31 March 2003	1 April 2002
P A McKenna	-	-
D M Reid	-	-
J L Boyton	-	-
K T Mead (appointed 1 April 2002)	-	-

The directors' interest in the share capital of the ultimate holding company of the group are disclosed in the consolidated financial statements of that company.

# Ingenious Media Consulting Limited

## DIRECTORS' REPORT (Continued)

31st March 2003

### Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;
- 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 ensuring that proper accounting records are kept which 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 1985. They are also responsible for the system of internal controls, safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditors

In the absence of a notice proposing that the appointment be terminated, the auditors, Buzzacott, will be deemed to be re-appointed in accordance with Section 386 of the Companies Act 1985.

Signed on behalf of the board of directors:



D M Reid  
Secretary

Approved by the board on:

23/10/03

# **Ingenious Media Consulting Limited**

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF INGENIOUS MEDIA CONSULTING LIMITED**

We have audited the financial statements on pages 5 to 11 which have been prepared, under the historical cost convention, and in accordance with the accounting policies set out on page 7.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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 partners and auditors**

As described on pages 1 and 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of opinion**

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

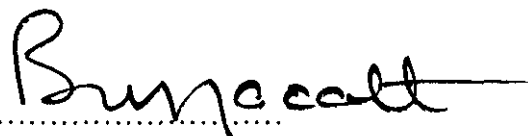
# Ingenious Media Consulting Limited

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF INGENIOUS MEDIA CONSULTING LIMITED (Continued)

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

### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Buzzacott

Chartered Accountants and Registered Auditors

12 New Fetter Lane

London

EC4A 1AG

Date: 23 October 2003

# Ingenious Media Consulting Limited

## PROFIT AND LOSS ACCOUNT Year ended 31st March 2003

	Notes	2003 £	2002 £
<b>Turnover</b>	1	502,218	363,900
Cost of sales		(33,870)	-
<b>Gross profit</b>		<hr/> 468,348	<hr/> 363,900
Administrative expenses		(388,773)	(206,777)
<b>Operating profit</b>	2	<hr/> 79,575	<hr/> 157,123
Interest receivable		635	66
<b>Profit on ordinary activities before taxation</b>		<hr/> 80,210	<hr/> 157,189
Taxation	5	46,726	(47,157)
<b>Retained profit for the financial year after taxation</b>		<hr/> 126,936	<hr/> 110,032
Retained profit at 1st April 2002		110,032	-
<b>Retained profit at 31st March 2003</b>		<hr/> 236,968	<hr/> 110,032

All of the company's activities derived from continuing operations during the above financial year.

The company has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

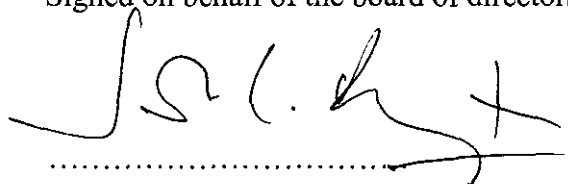
There is no difference between the profit on ordinary activities before taxation and the retained profit for the period stated above, and their historical cost equivalent.

# Ingenious Media Consulting Limited

## BALANCE SHEET 31st March 2003

	Notes	2003 £	2003 £	2002 £	2002 £
<b>Current assets</b>					
Debtors	6	226,542		85,873	
Cash at bank and in hand		13,428		100,333	
		<u>239,970</u>		<u>186,206</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>-</u>		<u>-</u>	
<b>Net current assets</b>			239,970		186,206
<b>Net assets</b>			<u>239,970</u>		<u>186,206</u>
<b>Capital and reserves</b>					
Equity interests:					
Called up share capital	8		1		1
Profit and loss account			<u>236,968</u>		<u>110,032</u>
<b>Shareholders' funds</b>	9		<u>236,969</u>		<u>110,033</u>

Signed on behalf of the board of directors:



J L Boyton  
Director

Approved by the board on:

23/10/03

# **Ingenious Media Consulting Limited**

## **PRINCIPAL ACCOUNTING POLICIES**

**31st March 2003**

### **Basis of accounting**

The accounts have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

### **Cash flow**

The accounts 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".

### **Turnover**

Turnover consists of provision of services at invoiced value excluding VAT.

### **Deferred taxation**

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 accounts.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

# Ingenious Media Consulting Limited

## NOTES TO THE ACCOUNTS

31st March 2003

### 1 Turnover

Turnover and the result before taxation arise solely from the company's principal activity carried out in the UK.

### 2 Operating profit

	2003 £	2002 £
This is stated after charging:		
Auditors' remuneration		
- Audit fee	3,500	2,500
Staff costs	<u>382,794</u>	<u>204,274</u>

### 3 Staff costs

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

	2003 £	2002 £
Wages and salaries	344,673	184,167
Social security costs	<u>38,121</u>	<u>20,107</u>
	<u>382,794</u>	<u>204,274</u>

The average weekly number of employees during the year was as follows

Management and administration	<u>6</u>	<u>6</u>
-------------------------------	----------	----------

### 4 Directors' remuneration

Director emoluments are paid to the directors by the ultimate holding company, Ingenious Media plc, and are disclosed in that company's accounts.

# Ingenious Media Consulting Limited

## NOTES TO THE ACCOUNTS (Continued)

31st March 2003

### 5 Taxation

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

	2003 £	2002 £
Current tax:		
UK Corporation tax at 30% (2002 - 30%)	-	47,157
Adjustments in respect of prior years	(46,726)	-
Total current tax	<u>(46,726)</u>	<u>47,157</u>
 Tax on profit on ordinary activities	 <u>(46,726)</u>	 <u>47,157</u>
 Factors effecting tax charge for the year:		
 Profit on ordinary activities before taxation	 <u>80,210</u>	 <u>157,189</u>
 Profit on ordinary activities for the year multiplied by the standard rate of corporation tax in the UK of 30% (2002 - 30%)	 24,063	 47,157
 Effects of:		
Other short term timing differences	(24,063)	-
Adjustments to tax charge in respect of previous periods	(46,726)	-
Current tax charge	<u>(46,726)</u>	<u>47,157</u>

### 6 Debtors

	2003 £	2002 £
Trade debtors	126,302	85,873
Amounts owed by group undertakings	<u>100,240</u>	<u>-</u>
	<u>226,542</u>	<u>85,873</u>

# Ingenious Media Consulting Limited

## NOTES TO THE ACCOUNTS (Continued)

31st March 2003

### 7 Creditors: amounts falling due within one year

	2003 £	2002 £
Social security and other taxes	-	21,525
Accruals and deferred income	3,001	2,500
Amounts owed to group undertakings	-	4,991
Corporation tax	-	47,157
	<u>-</u>	<u>-</u>

### 8 Called up share capital

	2003 £	Authorised 2002 £	Allotted, called up and fully paid 2003 £	2002 £
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>1</u>	<u>1</u>

### 9 Reconciliation of movements in shareholder's funds

	2003 £	2002 £
<b>Equity funds</b>		
Profit for the financial year after taxation	126,936	110,032
Opening shareholders' funds at 1 April 2002	<u>110,033</u>	<u>1</u>
Closing shareholders' funds at 31st March 2003	<u>236,969</u>	<u>110,033</u>

### 10 Related party transactions

The company has taken advantage of the exemptions conferred by Financial Reporting Standard No 8 from the requirement to make disclosures concerning inter company transactions.

# Ingenious Media Consulting Limited

## NOTES TO THE ACCOUNTS (Continued)

31st March 2003

### 11 Ultimate holding company and control

The company is a wholly owned subsidiary of Ingenious Media plc, a company registered in England and Wales.

The consolidated financial statements of Ingenious Media plc can be obtained from Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.

The controlling shareholder of Ingenious Media plc is P A McKenna.

### 12 Contingent liability

The following security had been given to HSBC Republic Bank (UK) Limited in support of facilities of up to £7.5m available to Ingenious Films Limited. No amount of the facility was drawn down throughout the period to its expiry on 30 April 2003.

- a debenture over all present and future freehold and leasehold property
- a first fixed charge over, among other things, book and other debts, chattels, goodwill and uncalled capital both present and future
- a first floating charge over all assets and undertaking both present and future

An unlimited cross guarantee had been given to HSBC Republic Bank (UK) Limited, jointly with Ingenious Films Limited, Ingenious Media Plc, Ingenious Ventures Limited and Ingenious Corporate Finance Limited.

There was no loan balance under guarantee at 31 March 2003.