

Registered number: 04294749

NEPTUNE FILM PARTNER 1 LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

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NEPTUNE FILM PARTNER 1 LIMITED

COMPANY INFORMATION

Directors	N A Forster D M Reid
Company secretary	S Cruickshank J Wright
Registered number	04294749 (England and Wales) Private Company, Limited by shares
Registered office	15 Golden Square London W1F 9JG
Independent auditor	Shipleys LLP Chartered Accountants and Statutory Auditor 10 Orange Street London WC2H 7DQ

NEPTUNE FILM PARTNER 1 LIMITED

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NEPTUNE FILM PARTNER 1 LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2017

The directors present their report and the financial statements of Neptune Film Partner 1 Limited ("the Company") for the year ended 30 June 2017.

Principal activity

The Company is a wholly-owned subsidiary of Ingenious Media Limited, which is a wholly-owned subsidiary within the Ingenious Media Holdings Limited group ("the Group"). The principal activity of the Company continues to be to trade as a partner in Neptune Film Partners ("the Partnership"), a partnership formed to pursue commercial film opportunities through a combination of sale and leaseback transactions and film development projects. 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 further key performance indicators for the Company are not necessary or appropriate for an understanding of its development, performance or position.

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.

The amounts owed to Group undertakings take the form of loans granted and the terms of these loans mean that they are only repayable to the extent that funds are received from the investments by the Company. The directors have a reasonable expectation that the Company will continue in operational existence for the foreseeable future, and accordingly, they continue to adopt the going concern basis in preparing the Directors' Report and Financial Statements, which they feel is wholly appropriate.

Principal risk 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, such as 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 Directors' Report and Financial Statements.

Financial risk management

The Company is exposed to financial risk through its financial assets and liabilities. The Company has an investment in the Partnership which it reviews on a regular basis. All other balances are predominantly amounts owed by or owing to companies within the Group or are connected to the investment in the Partnership.

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), which is discussed in the Group's Report and Financial Statements.

Results and dividends

The result for the year, after taxation, amounted to £nil (restated year ended 30 June 2016: loss of £478,503).

The directors do not propose to pay a final dividend (year ended 30 June 2016: £nil).

No interim dividend was paid during the year (year ended 30 June 2016: £nil).

Future developments and events after the balance sheet date

The Company intends to continue to undertake its principal activity.

NEPTUNE FILM PARTNER 1 LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

Directors

The directors who served during the year and subsequently were:

N A Forster
D M Reid

Provision of insurance to directors

All directors were covered by Directors and Officers liability insurance, provided by the ultimate parent company Ingenious Media Holdings Limited, throughout the year and this will continue to remain in force.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 year. In preparing these financial statements, the directors are required to:

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's 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 that the appointment to be terminated, the auditor, Shipleys LLP, will be deemed to be re-appointed in accordance with section 487(2) of the Companies Act 2006.

NEPTUNE FILM PARTNER 1 LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

Small company exemptions

The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. This is in accordance with Part 15 of the Companies Act 2006. The Company has taken advantage of the exemption for the requirement to disclose an enhanced business review and to prepare a Strategic Report in accordance with section 414B of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'D M Reid', written over a horizontal line.

D M Reid
Director
Date: 22 June 2018

15 Golden Square
London
W1F 9JG

Company Registration Number: 0429479 (England and Wales)

NEPTUNE FILM PARTNER 1 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEPTUNE FILM PARTNER 1 LIMITED

Opinion

We have audited the financial statements of Neptune Film Partner 1 Limited for the year ended 30 June 2017 which comprise the Profit and Loss Account, the Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic Ireland (United Kingdom Generally Accepted Accounting Practice)'.

This report is made solely to the Company's directors, 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 directors 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 directors as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the FRC's Ethical Standard, the provisions available for small entities (see note 1 to the financial statements) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement (see page 2), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website. This description forms part of our auditor's report.

NEPTUNE FILM PARTNER 1 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEPTUNE FILM PARTNER 1 LIMITED

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

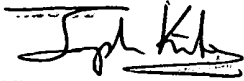
In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

NEPTUNE FILM PARTNER 1 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEPTUNE FILM PARTNER 1 LIMITED



Joseph Kinton (Senior statutory auditor)

for and on behalf of
Shipleys LLP

Chartered Accountants and Statutory Auditor
10 Orange Street
London
WC2H 7DQ

Date: 22/6/18

NEPTUNE FILM PARTNER 1 LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2017**

		Year ended 30 June 2017 £	<i>Restated Year ended 30 June 2016 £</i>
	Note		
Share of loss of the Partnership		-	(478,503)
Profit/(Loss) before taxation		-	(478,503)
Tax on profit/(loss) on ordinary activities	4	-	-
Profit/(Loss) for the financial year		-	(478,503)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		-	(478,503)

There were no recognised gains and losses for 2017 or 2016 other than those included in the profit and loss account.

Total comprehensive income is attributable to the equity shareholders of the Company.

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

The notes on pages 10 to 15 form part of these financial statements.

NEPTUNE FILM PARTNER 1 LIMITED
REGISTERED NUMBER: 04294749

BALANCE SHEET
AS AT 30 JUNE 2017

	Note	30 June 2017 £	Restated 30 June 2016 £
Investments	5	-	-
		<u>-</u>	<u>-</u>
Current assets			
Amounts owed by Group undertakings	6	1	1
		<u>1</u>	<u>1</u>
Creditors: amounts falling due within one year	7	(1)	(1)
		<u>-</u>	<u>-</u>
Net current assets		-	-
		<u>-</u>	<u>-</u>
Total assets less current liabilities		-	-
Creditors: amounts falling due after more than one year	8	(5,896,669)	(5,896,669)
		<u>(5,896,669)</u>	<u>(5,896,669)</u>
Net liabilities		<u>(5,896,669)</u>	<u>(5,896,669)</u>
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account		(5,896,670)	(5,896,670)
		<u>(5,896,670)</u>	<u>(5,896,670)</u>
Shareholder's deficit		<u>(5,896,669)</u>	<u>(5,896,669)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies within Part 15 of the Companies Act 2006 and in accordance with the provisions of Financial Reporting Standard 102 Section 1A small entities (effective January 2015).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



D M Reid
 Director
 Date: 22 June 2018

The notes on pages 10 to 15 form an integral part of these financial statements.

NEPTUNE FILM PARTNER 1 LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2016	1	(5,896,670)	(5,896,669)
Comprehensive income for the year			
Profit for the financial year	-	-	-
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	-	-
At 30 June 2017	1	(5,896,670)	(5,896,669)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016**

	Called up share capital	Restated Profit and loss account	Total
	£	£	£
At 1 July 2015	1	(5,418,167)	(5,418,166)
Comprehensive income for the year			
Loss for the financial year	-	(478,503)	(478,503)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(478,503)	(478,503)
At 30 June 2016	1	(5,896,670)	(5,896,669)

The notes on pages 10 to 15 form part of these financial statements.

NEPTUNE FILM PARTNER 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1. Accounting policies

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

1.1 General information and basis of preparation of financial statements

The Company is incorporated in the United Kingdom under the Companies Act 2006.

The Company is a private company limited by shares and is registered in England and Wales. The address of the registered office is given on the Company Information page.

The financial statements are prepared in Sterling, which is the functional currency of the entity.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 Section 1A, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

1.2 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.

The amounts owed to Group undertakings take the form of loans granted and the terms of these loans mean that they are only repayable to the extent that funds are received from the investments by the Company. The directors have a reasonable expectation that the Company will continue in operational existence for the foreseeable future, and accordingly, they continue to adopt the going concern basis in preparing the Directors' Report and Financial Statements, which they feel is wholly appropriate.

1.3 Fixed asset investments

Fixed asset investments in the Partnership represent the Company's share of the Partnership's net assets at year end. Investments are shown at cost less provision for impairment.

1.4 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if 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.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

NEPTUNE FILM PARTNER 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1. Accounting policies (continued)

1.5 Disclosure exemptions

The Company is a qualifying entity under FRS 102 and it is taking advantage of some of the disclosure exemptions available to such entities in its financial statements. As such, the financial statements do not include a Cash Flow Statement and a note on financial instruments. Further details can be found in note 11 about the name of the immediate parent company of the Company and details of where the consolidated financial statements of that parent can be obtained.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements in applying the accounting policies

The following are the critical judgements that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Impairment of investments

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Financial assets

For financial assets carried at cost less impairment, the impairment loss is the reduction in the asset's carrying amount to the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

3. Staff costs

The Company incurred no staff costs nor paid any remuneration to its directors during the year (year ended 30 June 2016: £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.

NEPTUNE FILM PARTNER 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

4. Taxation

	Year ended 30 June 2017 £	Restated Year ended 30 June 2016 £
Tax on profit/(loss) on ordinary activities at standard UK corporation tax rate of 19.75% (2016: 20%)	-	-
Factors affecting tax charge for the year		
	Year ended 30 June 2017 £	Restated Year ended 30 June 2016 £
Profit/(loss) before tax	-	(478,503)
Tax on profit/(loss) at standard UK corporation tax rate of 19.75% (2016: 20%)	-	(95,701)
Effects of:		
Adjustments resulting from investment in film partnerships	-	95,701
Total tax charge for the year	-	-

5. Investment in Partnership

At the year end and prior year end the Company held 32.06% of the Partnership capital interest in Neptune Film Partners ("the Partnership").

The principal activity of the Partnership, is the development of commercial film opportunities through a combination of sale and leaseback transactions and film development projects.

The principal place of business for the Partnership is 15 Golden Square, London, W1F 9JG.

The share of loss in the associated Partnership for the year ended 30 June 2016 was £nil (restated year ended 30 June 2016: £478,503.) The net carrying value of the interest in the Partnership as at 30 June 2017 was £nil (restated year ended 30 June 2016: £nil).

The Partnership's profit for the year ended 5 April 2017 was £nil (year ended 5 April 2016 loss of: £1,304,503). The net asset position of the Partnership at 5 April 2017 was £232 (year ended 5 April 2016: £232).

Under the terms of the members' agreement of the Partnership, the Company is entitled to receive a 95% share of all profits/losses associated with its additional investment in 2010/11.

NEPTUNE FILM PARTNER 1 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

6. Debtors

	30 June 2017 £	30 June 2016 £
Amounts owed by Group undertakings	<u>1</u>	<u>1</u>

7. Creditors: Amounts falling due within one year

	30 June 2017 £	30 June 2016 £
Other creditors	<u>1</u>	<u>1</u>

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

	30 June 2017 £	30 June 2016 £
Amounts owed to Group undertakings	<u>5,896,669</u>	<u>5,896,669</u>

9. Share capital

	30 June 2017 £	30 June 2016 £
Allotted, called up and fully paid		
1 Ordinary share (2016 - 1 Ordinary share) of £1 each	<u>1</u>	<u>1</u>

NEPTUNE FILM PARTNER 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

10. 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-controlled by the Group, it is exempt from the requirement to disclose such transactions under FRS 102 Section 33.

Ingenious Media Investments Limited (registered in England and Wales) acts as operator of the Partnership. N A Forster and D M Reid were also directors of Ingenious Media Investments Limited during the year. The Company and Ingenious Media Investments Limited are wholly-owned subsidiaries of Ingenious Media Limited, which is itself a wholly-owned subsidiary of the Group.

D M Reid is a member of the Executive Committee of the Partnership and is also a director of the Company. The Executive Committee has discretion to approve any films proposed for production by Ingenious Media Investments Limited.

11. Ultimate Parent Undertaking and Controlling Party

During the year ended 30 June 2017 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 Limited is the only parent undertaking for which consolidated financial statements are prepared.

The controlling shareholder of Ingenious Media Holdings Limited is P A McKenna.

The registered office address of Ingenious Media Holdings Limited is 15 Golden Square, London, W1F 9JG, United Kingdom.

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

12. Prior Year Adjustment

For the year ended 30 June 2016 the Company erroneously recorded a loss of £502,563 in respect of its investment in the Partnership. The comparative figures in the primary statements and the notes have been restated to correct the prior period error.

The effects of the prior period adjustment are summarised below:

	30 June 2016 £
Profit and loss account	
Decrease in share of loss of the Partnership	502,563
Increase in profit for the financial year	502,563
Increase in net assets	502,563

NEPTUNE FILM PARTNER 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

13. Contingent liability

During the year ended 30 June 2016, the Company and other corporate partners or members in sale and leaseback partnerships received claims from the law firm Peters and Peters LLP, filed on behalf of a minority of investors (the "Claimants"). The Claimants are seeking compensation via a number of legal remedies from various parties including entities in the Group which operate or manage the sale and leaseback partnerships and the basis for the claims has not been articulated. The sale and leaseback claims are stayed and any party can lift the stay on one month's notice. Following legal consultation based on the information which has been provided in respect of the nature and basis of the claims so far and consideration of the current circumstances, the directors of the Company believe the claims are without merit and therefore no provision has been made in the financial statements. Currently, there are no reasonable grounds for calculating the potential liability in the unexpected event that the claims do succeed.