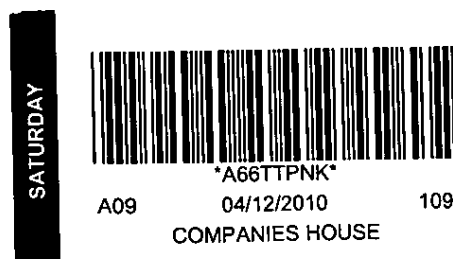


# INGENIOUS MEDIA SERVICES LIMITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS

5 APRIL 2010



Company Registration Number  
05214060 (England and Wales)

## INGENIOUS MEDIA SERVICES LIMITED

**Directors** J L Boyton  
M T Bugden  
J H M Clayton  
N A Forster  
D M Reid  
S J Speight

**Company Secretary** S J Cruickshank

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

**Registered Number** 05214060 (England and Wales)

**Auditors** Deloitte LLP  
Chartered Accountants  
London

**Business Address** 15 Golden Square  
London  
W1F 9JG

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

# INGENIOUS MEDIA SERVICES LIMITED

## CONTENTS

### Reports

Directors' Report	1
Independent Auditors' Report	4

### Financial Statements

Profit and Loss Account	6
Balance Sheet	7
Statement of Accounting Policies	8
Notes to the Financial Statements	10

**DIRECTORS' REPORT**  
**5 APRIL 2010**

The directors present their Annual Report and Financial Statements of Ingenious Media Services Limited ("the Company") for the year ended 5 April 2010

**Principal activity**

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 principal activity of the Company was the provision of services to the media and entertainment industry.

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.

Certain services provided are under agreements with Ingenious Film Partners LLP, Ingenious Film Partners 2 LLP, Ingenious Film Partners 3 LLP, Ingenious Games LLP, Big Screen Productions 2 LLP, Big Screen Productions 3 LLP, Big Screen Productions 4 LLP, Big Screen Productions 5 LLP, Phoenix Film Partners LLP as well as with the independent film producers Mark Ryan, Nigel Williams, Paul Martin, David Heyman, David Yates and Arnab Banerji. These services are considered to be a joint arrangement and are treated in accordance with Financial Reporting Standard 9 'Associates and Joint Ventures' as a joint arrangement that is not an entity.

**Going concern**

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

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

**Principal risks and uncertainties**

The general economic downturn is a continuing risk for the Company. Group risks are discussed in the Ingenious Media Holdings plc 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 credit risk. The corresponding debtor position in the Company's balance sheet is monitored regularly.

**Results and dividends**

The results for year are set out on page 6.

The directors do not propose to pay a final dividend (year ended 5 April 2009: £nil).

No interim dividend was paid during the year (year ended 5 April 2009: £nil).

**Future developments**

The Company intends to continue providing services to the media and entertainment industry.

**DIRECTORS' REPORT (CONTINUED)**  
**5 APRIL 2010**

**Directors**

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

	Appointment date	Resignation date
J L Boyton		
M T Bugden	1 June 2009	
J H M Clayton	1 June 2009	
N A Forster		
P A McKenna		1 June 2009
D M Reid		
S J Speight	1 June 2009	

**Creditors payment policy**

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

**Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial 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 2010**

**Auditors**

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

This report was approved by the board of directors and signed on its behalf on **2 12 2010** by



**S J CRUICKSHANK**  
Company Secretary

Registered office  
15 Golden Square  
London  
W1F 9JG

Company Registration Number 05214060 (England & Wales)

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INGENIOUS MEDIA SERVICES LIMITED**

We have audited the financial statements of Ingenious Media Services Limited for the year ended 5 April 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Accounting Policies and the related notes 1 to 14. 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 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 directors and auditors**

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 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 (APB'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.

### **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 2010 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 AUDITORS' REPORT TO THE MEMBERS OF INGENIOUS MEDIA SERVICES 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 Auditors

London, United Kingdom

Date 2. 12. 2010



**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 5 APRIL 2010**

	Notes	Year ended 5 April 2010 £ '000s	Year ended 5 April 2009 £ '000s
<b>Turnover</b>	1	236,426	42,315
Cost of sales		<u>(235,083)</u>	<u>(42,678)</u>
<b>Gross profit/(loss)</b>		1,343	(363)
Administrative expenses		<u>(600)</u>	<u>(782)</u>
<b>Operating profit/(loss)</b>	2	743	(1,145)
Interest receivable and similar income	4	-	98
Interest payable and similar charges	5	<u>(514)</u>	<u>-</u>
<b>Profit/(loss) on ordinary activities before taxation</b>		229	(1,047)
Taxation	6	<u>-</u>	<u>-</u>
<b>Profit/(loss) on ordinary activities after taxation</b>	11	229	(1,047)

The accounting policies and notes on pages 8 to 16 form an integral part of the 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**  
**AS AT 5 APRIL 2010**

	Notes	5 April 2010 £ '000s	5 April 2009 £ '000s
<b>Fixed assets</b>			
Investments	7	<u>89</u>	<u>159</u>
<b>Current assets</b>			
Debtors	8	236,464	20,121
Cash at bank and in hand		<u>323</u>	<u>7</u>
		<b>236,787</b>	<b>20,128</b>
<b>Creditors: amounts falling due within one year</b>	9	<u>(235,732)</u>	<u>(19,372)</u>
<b>Net current assets</b>		<u>1,055</u>	<u>756</u>
<b>Total assets less current liabilities</b>		<u>1,144</u>	<u>915</u>
<b>Net assets</b>		<u>1,144</u>	<u>915</u>
<b>Capital and reserves</b>			
Called up share capital	10	-	-
Profit and loss account	11	<u>1,144</u>	<u>915</u>
<b>Shareholder's funds</b>	12	<u>1,144</u>	<u>915</u>

The accounting policies and notes on pages 8 to 16 form an integral part of the financial statements

The financial statements were approved by the board of directors and authorised for issue on **2 12** 2010

They were signed on behalf of the board of directors by



**N A Forster**  
 Director

Company Registration Number 05214060 (England & Wales)

## STATEMENT OF ACCOUNTING POLICIES

5 APRIL 2010

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

On that basis, 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.

### **Cashflow**

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 'Cash Flow Statements'.

### **Turnover**

Turnover represents amounts receivable for services net of VAT and trade discounts derived from the Company's principal activity.

### **Investments**

Fixed asset investments are stated at cost less any permanent diminution in value.

### **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 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.

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

**STATEMENT OF ACCOUNTING POLICIES (CONTINUED)**  
**5 APRIL 2010**

**Joint Arrangement Not an Entity ('JANE')**

In prior years, the Company entered into Film Services Agreements with Ingenious Film Partners LLP, Ingenious Film Partners 2 LLP, Ingenious Film Partners 3 LLP, Big Screen Productions 2 LLP, Big Screen Productions 3 LLP, Big Screen Productions 4 LLP, Big Screen Productions 5 LLP and Phoenix Film Partners LLP to source and undertake various film-related activities on their behalf. The partnerships maintain a right of approval over any such transactions entered into on their behalf and also over the use of such funds advanced until suitable opportunities arise.

In prior years, the Company also entered into Film Services Agreements with Mark Ryan, Nigel Williams, Paul Martin, David Heyman, David Yates and Arnab Banerji to source and undertake various film-related activities on their behalf. The producers maintain a right of approval over any such transactions entered into on their behalf and also over the use of such funds advanced until suitable opportunities arise.

In a prior year, the Company entered into a Games Services Agreement with Ingenious Games LLP, to source and undertake various game-related activities on its behalf. The partnership maintains a right of approval over any such transactions entered into on its behalf and also over the use of such funds advanced until suitable opportunities arise.

In the view of the directors of the Company each of the above arrangements constitutes a Joint Arrangement Not an Entity ("JANE"), as defined by FRS 9, 'Associates and Joint Ventures'. Accordingly all transactions entered into by the Company under the Film Services Agreements and the Game Services Agreement are recorded in the partnerships' or producers' own financial statements to correctly reflect the substance of those transactions. The transactions under these arrangements were not included in these financial statements.

**Assumption Agreements**

The Company has entered into a series of Assumption Agreements between various distributors, Ingenious Broadcasting LLP and Ingenious Broadcasting 2 LLP, whereby it has assumed the obligations of various distributors to make certain contracted payments in respect of television programmes or series produced by either of the two partnerships on an annual basis.

In consideration for entering into these agreements, the Company receives sums from the distributors. In order to secure its obligations to the partnerships, the Company places these funds on deposit with various guarantor banks, such that when combined with interest these amounts will be sufficient to meet its obligations under its agreements with the partnerships. These funds exist solely to meet the obligations to the partnerships and the Company will have no access to the bank deposit funds. The funds therefore do not confer any economic benefits to the Company and do not represent assets of the Company. Conversely, the obligations to pay the partnerships will be guaranteed by the bank and therefore do not represent liabilities of the Company.

As a result of applying Financial Reporting Standard No 5, 'Reporting the Substance of Transactions', both the deposit funds and interest accruing over the twenty year license period, together with the corresponding payment obligations to the partnerships, are excluded from the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**5 APRIL 2010**

**1. Turnover**

The total turnover of the Company for the year has been derived from its principal activity wholly undertaken in the United Kingdom (year ended 5 April 2009 United Kingdom)

**2. Operating profit/(loss)**

	Year ended 5 April 2010 £ '000s	Year ended 5 April 2009 £ '000s
<hr/>		
This is stated after charging		
Impairment of fixed asset investments	70	123
Fees for the audit of the Company	<u>9</u>	<u>9</u>
	<hr/> 79	<hr/> 132

**3. Staff costs**

The Company incurred no staff costs nor paid any remuneration to its directors during the year (year ended 5 April 2009 £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

**4. Interest receivable and similar income**

	Year ended 5 April 2010 £ '000s	Year ended 5 April 2009 £ '000s
<hr/>		
Bank interest	-	90
Loan interest	<u>-</u>	<u>8</u>
	<hr/> -	<hr/> 98

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
5 APRIL 2010

5. Interest payable and similar charges

	Year ended 5 April 2010 £ '000s	Year ended 5 April 2009 £ '000s
Interest payable on bank overdrafts and similar liabilities	514	-

6. Taxation

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

	Year ended 5 April 2010 £ '000s	Year ended 5 April 2009 £ '000s
UK corporation tax at 28% (year ended 5 April 2009 28%)	-	-
Current tax credit	-	-

Factors affecting tax charge for the year

	Year ended 5 April 2010 £ '000s	Year ended 5 April 2009 £ '000s
Profit/(loss) on ordinary activities before taxation	229	(1,047)
Profit/(loss) on ordinary activities for the year multiplied by standard rate of corporation tax in the UK of 28% (year ended 5 April 2009 28%)	64	(293)
Effects of		
Utilisation of tax losses brought forward	(64)	-
Group relief surrendered	-	293
Current tax credit	-	-

A potential deferred tax asset of £229k in respect of tax losses carried forward has not been recognised due to uncertainty over the availability of taxable profits in future chargeable accounting periods

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
5 APRIL 2010

7. Fixed asset investments

	5 April 2010 £ '000s	5 April 2009 £ '000s
<b>Cost</b>		
Balance brought forward	159	1
Additions		
Capital	-	281
Impairment in the year	(70)	(123)
<b>Balance carried forward</b>	<b>89</b>	<b>159</b>

During the year the Company had interests in the following associated undertakings

Associated undertaking	Activity	Class	%
Protagonist Pictures Limited	Integrated Film Business	Ordinary Shares	33.3

*Protagonist Pictures Limited*

The shareholding in Protagonist Pictures Limited ("PPL") was acquired during a prior year for £0.3m. The directors consider PPL to be an associated undertaking of the Group.

PPL's loss after tax for the year ended 31 March 2010 was £0.2m (year ended 31 March 2009: £0.4m), the net liabilities at 31 March 2010 were £0.2m (net assets at year ended 31 March 2009: £0.03m).

8. Debtors

	5 April 2010 £ '000s	5 April 2009 £ '000s
Trade debtors	1,893	-
Amounts owed by group undertakings	233,956	20,121
Other debtors	615	-
	<b>236,464</b>	<b>20,121</b>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
5 APRIL 2010

9. Creditors' amounts falling due within one year

	5 April 2010 £ '000s	5 April 2009 £ '000s
Amounts owed to group undertakings	16,959	15,980
Other creditors	218,495	3,378
Social security and other taxes	270	2
Accruals and deferred income	8	12
	<u>235,732</u>	<u>19,372</u>

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

10 Called up share capital

	Allotted, called up and fully paid			
	£	5 April 2010 No	£	5 April 2009 No
Ordinary shares of £1 each	1	1	1	1

11. Statement of movements on Profit and Loss Account

	5 April 2010 £ '000s	5 April 2009 £ '000s
Balance brought forward	915	1,962
Profit/(loss) for the financial year	<u>229</u>	<u>(1,047)</u>
<b>Balance carried forward</b>	<b>1,144</b>	<b>915</b>



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
5 APRIL 2010

12. Reconciliation of movements in shareholder's funds

	5 April 2010 £ '000s	5 April 2009 £ '000s
Profit/(loss) for the financial year	229	(1,047)
Net movement in shareholder's funds	229	(1,047)
Shareholder's funds brought forward	915	1,962
<b>Shareholder's funds carried forward</b>	<b>1,144</b>	<b>915</b>

13. Related party transactions

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

During a prior year the Company entered into a Film Services Agreement with Ingenious Film Partners LLP. A fellow group subsidiary, Ingenious Film Partners Limited, is a member of the partnership, holding 53% of the partnership's capital. Waterloo Film Partner 1 Limited and Waterloo Film Partner 2 Limited, both fellow group subsidiaries, are the two Designated Members of the partnership. Ingenious Media Investments Limited, a fellow subsidiary, is the operator of the partnership. P A McKenna, J L Boyton and D M Reid, directors of the Company during all or part of the year, are also members of the partnership, with P A McKenna and D M Reid being members of the partnership's executive committee.

No fees were charged in the year under the agreement and at the year end £76.9m (year ended 5 April 2009 £199.3m) had been advanced.

During a prior year the Company entered into a Film Services Agreement with Ingenious Film Partners 2 LLP. A fellow group subsidiary, Ingenious Film Partners 2 Limited, is a member of the partnership, holding 53% of the partnership's capital. Waterloo Film Partner 1 Limited and Waterloo Film Partner 2 Limited, both fellow group subsidiaries, are the two Designated Members of the partnership. Ingenious Media Investments Limited, a fellow subsidiary, is the operator of the partnership. P A McKenna, J L Boyton, D M Reid and J H M Clayton, directors of the Company during all or part of the year, are also members of the partnership with P A McKenna and D M Reid being members of the partnership's executive committee.

No fees were charged in the year under the agreement and at the year end £492.6m (year ended 5 April 2009 £500.0m) had been advanced.

During a prior year the Company entered into a Games Services Agreement with Ingenious Games LLP. A fellow group subsidiary, Ingenious Games Limited, is a member of the partnership, holding 50% of the partnership's capital. Hastings Games 1 Limited and Hastings Games 2 Limited, both fellow group subsidiaries, are the two Designated Members of the partnership. Ingenious Media Investments Limited, a fellow subsidiary, is operator of the partnership. P A McKenna, J L Boyton and D M Reid, directors of the Company during all or part of the year, are also members of the partnership with P A McKenna and D M Reid being members of the partnership's executive committee.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**5 APRIL 2010**

**13. Related party transactions (continued)**

No fees were charged in the year under the agreement and at the year end £15.3m (year ended 5 April 2009 £12.3m) had been advanced

During a prior year the Company entered into a Film Services Agreement with Ingenious Film Partners 3 LLP. A fellow group subsidiary, Ingenious Film Partners 3 Limited, is a member of the partnership, holding 50% of the partnership's capital. Waterloo Film Partner 1 Limited and Waterloo Film Partner 2 Limited, both fellow group subsidiaries, are the two Designated Members of the partnership. Ingenious Media Investments Limited, a fellow subsidiary, is operator of the partnership. P A McKenna and D M Reid, directors of the Company during all or part of the year, are members of the partnership's executive committee.

No fees were charged in the year under the agreement and at the year end £4.3m (year ended 5 April 2009 £4.3m) had been advanced

During a prior year the Company entered into a Film Services Agreement with Big Screen Productions 2 LLP. A fellow group subsidiary, Big Screen Productions 2 Limited, is a member of the partnership, holding 50% of the partnership's capital. Waterloo Film Partner 1 Limited and Waterloo Film Partner 2 Limited, both fellow group subsidiaries, are the two Designated Members of the partnership. Ingenious Media Investments Limited, a fellow subsidiary, is the operator of the partnership. P A McKenna and D M Reid, directors of the Company during all or part of the year, are members of the partnership's executive committee.

No fees were charged in the year under the agreement and at the year end £13.5m (year ended 5 April 2009 £13.3m) had been advanced

During a prior year the Company entered into a Film Services Agreement with Big Screen Productions 3 LLP. A fellow group subsidiary, Big Screen Productions 3 Limited, is a member of the partnership, holding 50% of the partnership's capital. Waterloo Film Partner 1 Limited and Waterloo Film Partner 2 Limited, both fellow group subsidiaries, are the two Designated Members of the partnership. Ingenious Media Investments Limited, a fellow subsidiary, is the operator of the partnership. P A McKenna and D M Reid, directors of the Company during all or part of the year, are members of the partnership's executive committee.

No fees were charged in the year under the agreement and at the year end £4.1m (year ended 5 April 2009 £3.4m) had been advanced

During a prior year the Company entered into a Film Services Agreement with Big Screen Productions 4 LLP. A fellow group subsidiary, Big Screen Productions 4 Limited, is a member of the partnership, holding 50% of the partnership's capital. Waterloo Film Partner 1 Limited and Waterloo Film Partner 2 Limited, both fellow group subsidiaries, are the two Designated Members of the partnership. Ingenious Media Investments Limited, a fellow subsidiary, is the operator of the partnership. P A McKenna and D M Reid, directors of the Company during all or part of the year, are members of the partnership's executive committee.

No fees were charged in the year under the agreement and at the year end £5.3m (year ended 5 April 2009 £5.2m) had been advanced

During a prior year the Company entered into a Film Services Agreement with Big Screen Productions 5 LLP. A fellow group subsidiary, Big Screen Productions 5 Limited, is a member of the partnership, holding 50% of the partnership's capital. Waterloo Film Partner 1 Limited and Waterloo Film Partner 2 Limited, both fellow group subsidiaries, are the two Designated Members of the partnership. Ingenious Media Investments Limited, a fellow subsidiary, is the operator of the partnership. P A McKenna and D M Reid, directors of the Company during all or part of the year, are members of the partnership's executive committee.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**5 APRIL 2010**

**13. Related party transactions (continued)**

No fees were charged in the year under the agreement and at the year end £14m (year ended 5 April 2009 £3m) had been advanced

During a prior year the Company entered into a Film Services Agreement with Phoenix Film Partners LLP. A fellow group subsidiary, Phoenix Film Partners Limited, is a member of the partnership, holding 99.99% of the partnership's capital. P A McKenna, J L Boyton and D M Reid, directors of the Company during all or part of the year, are also members of the partnership. Waterloo Film Partner 1 Limited and Waterloo Film Partner 2 Limited, both fellow group subsidiaries, are the two Designated Members of the partnership. Ingenious Media Investments Limited, a fellow subsidiary, is the operator of the partnership. P A McKenna and D M Reid, directors of the Company during all or part of the year, are members of the partnership's executive committee.

During a prior year the company paid fees of £nil (year ended April 2009 £42.2m) to Phoenix Film Partners LLP under the agreement and at the year end £nil (year ended 5 April 2009 £42.2m) was outstanding.

**14. Controlling party**

During the year ended 5 April 2010 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, Maundy, Cardiff CF14 3UZ.

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