

INGENIOUS BROADCASTING 19 PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS
For the period ended
5 April 2008

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Company Registration Number
6025270 (England and Wales)

ANNUAL REPORT AND FINANCIAL STATEMENTS 2008

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INGENIOUS BROADCASTING 19 PLC

THE COMPANY AND ITS ADVISERS

Directors	P A McKenna D M Reid J L Boyton
Company Secretary	S J Cruickshank
Registered Office	15 Golden Square London W1F 9JG
Company Number	6025270 (England and Wales)
Auditors	Shipleys LLP Chartered Accountants and Registered Auditors 10 Orange Street London WC2H 7DQ
Bankers	HSBC Private Bank (UK) Limited 78 St James's Street London SW1A 1JB
Registrar	David Venus & Company Limited t/a SLC Registrars Thames House Portsmouth Road Esher KT10 9AD

DIRECTORS' REPORT

5 April 2008

The directors present their annual report and audited financial statements for the 15 month period ended 5 April 2008

ACTIVITIES

Ingenious Broadcasting 19 plc ('the Company') is a member of Ingenious Broadcasting 2 Limited Liability Partnership ('the Partnership'), a Partnership formed to produce and exploit a high quality portfolio of television programmes with the greatest potential for commercial exploitation across all media, including pay- and free-to-view television, DVD and video

In assessing which programmes to produce, the Partnership endeavours to work with the most successful broadcasters and sales agents and to work with and engage the highest quality co-producers and production services companies and personnel to carry out its production activities. The Partnership also benefits from its relationship with the Ingenious Media group in sourcing television projects, and intends to create a diverse portfolio of programmes with both domestic and international appeal

REVIEW OF THE YEAR

The Company was incorporated on 11 December 2006

The Company made a net loss of £105,410

The net assets of the Company at 5 April 2008 were £678,990

The directors consider the Company's performance to be satisfactory given the risk profile of the activities engaged in and the early stage of the Company's life. The directors will continue to monitor the returns being generated on the funds employed in Ingenious Broadcasting 2 LLP as they continue to generate participations from the underlying licences and to use this as an indicator as to the Company's performance

NEW PRODUCTION ACTIVITIES

The Company has raised capital of £0.8 million in the period of which £0.7 million has been deployed into the Partnership. The Partnership has engaged in £21.6 million of television production expenditure for the 15 month period ended 5 April 2008. Each of these productions involved co-producing with leading independent television producers and several of the UK's key broadcasters ultimately acquired the programmes for their domestic broadcast upon delivery

COMPLETED ACTIVITIES

During the period to 5th April 2008 the Partnership committed to co-produce seven programmes. Five of these programmes were completed during the period, and two were still in production

Total budget commitments in relation to these programmes totalled £21.6 million and distributors acting on behalf of the partnership have pre-sold the rights to these programmes for the full £21.6m. The Partnership has engaged various distributors to sell the programmes internationally on its behalf and expects to generate further revenue in the forthcoming year

INGENIOUS BROADCASTING 19 PLC

DIRECTORS' REPORT (CONTINUED)

5 April 2008

DIVIDENDS

In accordance with the Prospectus the directors do not recommend payment of a dividend

FUTURE PROSPECTS

The directors consider the financial position at the end of the period to be satisfactory and believe the Company is well placed to continue its business in the coming year

DIRECTORS

The directors in office during the year were as follows

P A McKenna
D M Reid
J L Boyton
S E Ford (resigned 9 May 2008)
K T J Mead (resigned 31 August 2007)

CREDITORS' PAYMENT POLICY

On average, trade creditors during the year represented 0 days' purchases

The Company does not follow any 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.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND PROCEDURES

As the Company's key activity is investment into Ingenious Broadcasting 2 LLP the directors have deemed it appropriate to consider the key risks that the Partnership is exposed to. Due to the nature of the Partnership's business and the assets and liabilities contained within its balance sheet, the key financial risk the directors consider relevant is credit risk. This risk is mitigated by the Partnership's credit control policies and greenlighting procedure. In assessing which programmes to produce, the Partnership endeavours to work with the most successful co-producers, distributors and broadcasters and to work with and engage the highest quality personnel to carry out its production activities. The Partnership continues to monitor the programmes' continued exploitation in the international markets and anticipates further income from those sources.

DIRECTORS' REPORT (CONTINUED)

5 April 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 accounts and,
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the group 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. They are also responsible for the system of internal control, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the persons who is a director at the date of approval of this report confirms that

- 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 s234ZA of the Companies Act 1985.

AUDITORS

During the period, Shipleys LLP were appointed as auditors. Shipleys LLP has indicated its willingness to remain in office and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be reappointed will be put to the Annual General Meeting.

Signed on behalf of the board of directors



S J Cruickshank
Secretary

Approved by the board on 12 June 2008

INGENIOUS BROADCASTING 19 PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF INGENIOUS BROADCASTING 19 PLC

We have audited the financial statements (the "financial statements") of Ingenious Broadcasting 19 plc for the period ended 5 April 2008 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

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 directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, 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 other transactions is not disclosed.

We read the directors' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF INGENIOUS BROADCASTING 19 PLC

Basis of audit opinion

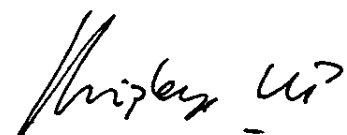
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company, consistently applied and adequately disclosed.

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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 5 April 2008 and of the loss for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements



Shipley LLP
Chartered Accountants and Registered Auditors
10 Orange Street
Haymarket
London
WC2H 7DQ

Date 12 JUNE 2008

INGENIOUS BROADCASTING 19 PLC

PROFIT AND LOSS ACCOUNT

For the period from 11 December 2006 to 5 April 2008

	NOTE	Period 11 Dec 06 to 5 Apr 08 £
Administrative expenses		(23,329)
OPERATING LOSS	2	(23,329)
Share of loss of associated partnerships	3	(82,081)
Interest receivable and similar income	4	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(105,410)
Taxation on loss on ordinary activities	5	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION AND ACCUMULATED LOSS FOR THE PERIOD		(105,410)

All of the Company's activities relate to continuing operations

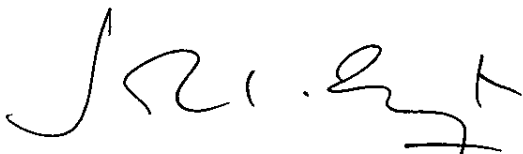
There are no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented

BALANCE SHEET

5 April 2008

	NOTE	2008 £
FIXED ASSETS		
Investments	3	615,604
CURRENT ASSETS		
Debtors	7	771,900
Cash at bank and in hand		12,500
		<hr/> 784,400
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	(721,014)
NET CURRENT ASSETS		<hr/> 63,386
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> 678,990
NET ASSETS		<hr/> 678,990
CAPITAL AND RESERVES		
Called up share capital	9	784,400
Profit and loss account	10	(105,410)
EQUITY SHAREHOLDERS' FUNDS	11	<hr/> 678,990

Signed on behalf of the board of directors



J L Boyton
Director

Approved by the board on 12 JUNE 2008

INGENIOUS BROADCASTING 19 PLC

CASH FLOW STATEMENT

For the period ended 5 April 2008

	Notes	2008 £
Cash inflow from operating activities	A	-
Returns on investment and servicing of finance	B	-
Acquisitions and disposals	B	-
Net cash inflow before management of liquid resources and financing		-
Financing	C	12,500
Increase in cash in the period	D	12,500

NOTES TO THE CASH FLOW STATEMENT

For the period ended 5 April 2008

A. Reconciliation of operating loss to net cash inflow from operating activities2008
£

Operating loss	(23,329)
Increase in operating creditors	23,329
Net cash inflow from operating activities	-

B. Gross cash flows**Returns on investment and servicing of finance**2008
£

Interest received	-
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Acquisitions and disposals2008
£

Investment in Partnership	-
---------------------------	---

C. Reconciliation of share capital to net cash inflow from financing activities2008
£

Share capital	784,400
Increase in Debtors	(771,900)
Net cash inflow from financing activities	12,500

D. Analysis of changes in net cash

	On Incorporation £	Cash flows £	At 5 April 2008 £
Cash at bank and in hand	-	12,500	12,500

E. Reconciliation of net cash flow to movement in net cash2008
£

Increase in cash in the period	12,500
Movement in funds for the period	12,500
Net cash at 5 April 2008	12,500

NOTES TO THE FINANCIAL STATEMENTS

5 April 2008

PRINCIPAL ACCOUNTING POLICIES

1. Basis of accounting

The financial statements have been prepared under the historical cost convention

Compliance with accounting standards

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards. The significant accounting policies adopted are summarised below. These policies have been consistently applied in the current year.

Turnover

Turnover derives from one class of business, the production and global exploitation of television programmes, and is stated net of Value Added Tax. The directors do not consider any one part of the worldwide market to be significantly different from any other.

Turnover is recognised at the fair value of the right to consideration and is not recognised until there is certainty over the right to consideration.

Investment in associated partnership

Fixed asset investments in partnerships are stated at the company's share of the partnership's net assets at the year end. The share of the partnerships' operating profits or losses is included in the profit and loss account.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that 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 financial statements. 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.

Stocks

Stocks and work in progress, other than long-term contracts, are stated at the lower of cost and net realisable value. Cost comprises contractual expenditure in respect of the television programmes being produced or co-produced. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 April 2008

Accounting Policies (continued)**Foreign Currency**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial Instruments

The Company's principal financial instruments comprise bank balances and trade creditors. The main purpose of these instruments is to raise funds for the company's operations and to finance the company's operations.

Due to the nature of the financial instruments used by the company, there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a balance sufficient to meet the funds required for the company's operations. The company makes use of money market facilities where funds are available.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

2. Operating loss

The operating loss is stated after charging	2008
	£
Auditors' remuneration for audit services	1,300

3. Investments

	2008
	£
Cost / Share of Net Assets	
At 11 December 2006	-
Movement during the period	
Capital	697,685
Losses	(82,081)
At 5 April 2008	615,604

The investment represents the interest in Ingenious Broadcasting 2 LLP. At the year end, the Company had a 1.3% interest in the capital of the LLP and an entitlement to an allocation of profits and losses based on its respective Weighted Member's share. Ingenious Broadcasting 2 LLP was formed under the Limited Liability Partnership Act 2000 to develop, produce and exploit a high quality portfolio of television programmes. Its place of business and head office address is 15 Golden Square, London, W1F 9JG, United Kingdom. Ingenious Broadcasting 2 LLP made a cumulative net loss of £4,388,482 to 5th April 2008.

The directors do not consider there to have been any indications as to an impairment in the carrying value of the investment, it is therefore carried at cost plus any share of profits or losses.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 April 2008

4. Interest receivable and similar income

	2008 £
Bank interest	-

5. Taxation

a The tax charge on the loss on ordinary activities for the period was as follows	2008 £
Current tax charge for the period	-
Deferred tax (credit) / charge for the period	-
Total tax charge	-

b Factors affecting the tax charge for the period	2008 £
Loss on ordinary activities before taxation	(105,410)
Loss on ordinary activities for the year multiplied by the standard rate of corporation tax of 30%	(31,623)
Effects of	
Adjustment to share of partnership loss	388
Tax losses not utilised	31,235
Current tax charge for the period	-

A potential deferred tax asset of £29,152 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

6. Directors and Employees

The Company did not have any employees other than the directors during the period. The directors did not receive any remuneration for their services during the period.

7. Debtors

	2008 £
Amounts due from shareholders	37,600
Shareholder cash held by registrar	734,300
Total Debtors	771,900

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 April 2008

8. Creditors: Amounts falling due within one year

	2008 £
Accruals	23,329
Trade creditors	-
Other Creditors	697,685
Total Creditors	721,014

9. Share Capital

The company was incorporated on 11 December 2006 with £10,000,000 of authorised share capital

	Authorised			
	2008		On Incorporation	
	£	No.	£	No.
Ordinary shares of £1 each	9,950,000	9,950,000	10,000,000	10,000,000
Redeemable preference shares of £1 each	50,000	50,000	-	-

	Allotted			
	2008		On Incorporation	
	£	No.	£	No.
Ordinary shares of £1 each issued at par	734,400	734,400	100	100
Redeemable preference shares of £1 each	50,000	50,000	-	-

	Called up and fully paid			
	2008		On Incorporation	
	£	No.	£	No.
Ordinary shares of £1 each issued at par	734,400	734,400	100	100
Redeemable preference shares of £1 each	12,500	50,000	-	-

734,300 shares were issued and allotted in accordance with the terms of the Prospectus. The subscriber shares created upon incorporation were issued at par.

On 6 March 2008, the company issued and allotted 50,000 redeemable preference shares of £1 each to Ingenious Media Investments Limited (paid up as at one quarter of their nominal value) in order to enable the company to obtain a certificate under section 117 of the Companies Act 1985.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 April 2008

10. Statement of movements on profit and loss account

	£
At 11 December 2006	-
Accumulated loss for the financial period	(105,410)
At 5 April 2008	(105,410)

11. Reconciliation of Movements in shareholders' funds

	2008 £
Loss for the financial period after taxation	(105,410)
Share capital issued	784,300
Net movement in shareholders' funds	678,890
Opening shareholders' funds at 11 December 2006	100
Closing shareholders' funds at 5 April 2008	678,990

12. Controlling party

During the period ended 5th April 2008 there was no direct or ultimate controlling party