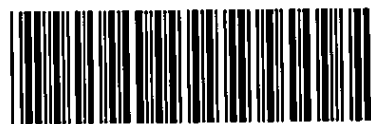


INGENIOUS BROADCASTING 23 PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS
For the period ended
5 April 2009

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Company Registration Number
6025280 (England and Wales)

ANNUAL REPORT AND FINANCIAL STATEMENTS 2009

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THE COMPANY AND ITS ADVISERS

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
Company Number	6025280 (England and Wales)
Auditors	Shipleys LLP Chartered Accountants and Statutory Auditors 10 Orange Street Haymarket London WC2H 7DQ
Bankers	HSBC Private Bank (UK) Limited 78 St James's Street London SW1A 1JB
Registrar	SLC Registrars Thames House Portsmouth Road Esher KT10 9AD

DIRECTORS' REPORT

5 April 2009

The directors present their Annual Report and Audited Financial Statements for the period ended 5 April 2009.

ACTIVITIES

Ingenious Broadcasting 23 plc (the "Company") is a member of Ingenious Broadcasting 2 LLP (the "Partnership"), a limited liability partnership formed to produce and exploit a high quality portfolio of television programmes with ongoing potential for commercial exploitation across all media.

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 BUSINESS

The Company made a loss after tax of £147,632 (2008: £nil).

The net assets of the Company at 5 April 2009 were £1,840,468 (2008: £100).

The directors consider the Company's performance during the period to be satisfactory, and will continue to monitor the trading activities undertaken through the Partnership and the performance of the Partnership's operator.

NEW PRODUCTION ACTIVITIES

The Company has raised capital of £2.0 million in the period of which £1.9 million has been deployed into the Partnership. The Partnership has engaged in £33.1million (2008: £21.6 million) of television production expenditure for the year ended 5 April 2009. 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 year to 5 April 2009 the Partnership committed to co-produce seven (2008: seven) programmes. Four (2008: five) of these programmes were completed during the year, and three (2008: two) were still in production at the year end.

Total budget commitments in relation to these programmes totalled £33.1 million (2008: £21.6 million) and distributors acting on behalf of the Partnership have pre-sold the rights to these programmes for the full £33.1million (2008: £21.6million). The Partnership has engaged various distributors to sell the programmes internationally on its behalf and expects to generate further revenue in the forthcoming year.

DIRECTORS' REPORT (CONTINUED)

5 April 2009

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 period 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	-
S E Ford	-	9 May 2008
N A Forster	18 August 2008	-
P A McKenna	-	1 June 2009
D M Reid	-	-
S J Speight	1 June 2009	-

PAYMENT OF SUPPLIERS

The Company agrees payment terms as part of the commercial arrangement negotiated with suppliers. Payments are made on these terms provided the supplier meets its obligations.

The trade creditor days at 5 April 2009 were nil (2008: nil).

FINANCIAL RISK MANAGEMENT OBJECTIVES AND PROCEDURES

As the Company's key activity is investment in the Partnership, the directors have deemed it appropriate to consider the key risks to which the Partnership is exposed. 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 programmes' exploitation in international markets and anticipates further income from those sources.

DIRECTORS' REPORT (CONTINUED)

5 April 2009

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 year. 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). The financial statements are required by law to give a true and fair view of the state of the 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 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 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.

AUDITORS

In so far as the directors are 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 s234ZA of the Companies Act 1985.

Shipleys LLP has indicated its willingness to remain in office and in accordance with s385 of the Companies Act 1985, a resolution proposing that they be reappointed will be put to the Annual General Meeting.

This report was approved and signed on behalf of the board of directors on 24 July 2009 by:



S J Cruickshank
Company Secretary

Registered office:
15 Golden Square,
London
W1F 9JG

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INGENIOUS BROADCASTING 23 PLC

We have audited the financial statements of Ingenious Broadcasting 23 plc for the period ended 5 April 2009 which comprise the profit and loss account, the balance sheet, the cash flow statement 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 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 are 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 MEMBERS OF INGENIOUS BROADCASTING 23 PLC (CONTINUED)

Basis of audit opinion

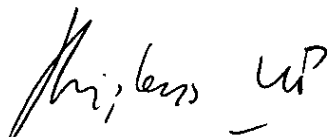
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 2009 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.



Shipleys LLP
Chartered Accountants and Statutory Auditors
10 Orange Street
Haymarket
London
WC2H 7DQ

24 July 2009

PROFIT AND LOSS ACCOUNT

For the period ended 5 April 2009

		Period 1 Apr 08 to 5 Apr 09 £	Period 11 Dec 06 to 31 Mar 08 £
	NOTE		
Administrative expenses		(67,258)	-
OPERATING LOSS	2	(67,258)	-
Share of loss of associated Partnership	3	(101,093)	-
Interest receivable and similar income	4	20,719	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(147,632)	-
Taxation on loss on ordinary activities	5	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION AND ACCUMULATED LOSS FOR THE PERIOD		(147,632)	-

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

As at 5 April 2009

	NOTE	2009 £	2008 £
FIXED ASSETS			
Investments	3	1,787,607	100
CURRENT ASSETS			
Debtors	7	100	37,600
Cash at bank		59,861	12,500
		59,961	50,100
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	(7,100)	(100)
NET CURRENT ASSETS		52,861	50,000
TOTAL ASSETS LESS CURRENT LIABILITIES		1,840,468	50,100
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	9	-	(50,000)
NET ASSETS		1,840,468	100
CAPITAL AND RESERVES			
Called up equity share capital	10	1,988,100	100
Profit and loss account	11	(147,632)	-
SHAREHOLDERS' FUNDS	12	1,840,468	100

These financial statements were approved by the directors and authorised for issue on 24 July 2009, and are signed on their behalf by:



N A Forster
Director

CASH FLOW STATEMENT

For the period ended 5 April 2009

	NOTE	Period 1 Apr 08 to 5 Apr 09 £	Period 11 Dec 06 to 31 Mar 08 £
Cash (outflow) from operating activities	A	(60,258)	-
Returns on investment and servicing of finance	B	20,719	-
Acquisitions and disposals	C	(1,888,600)	-
Net cash (outflow) before management of liquid resources and financing		(1,928,139)	-
Financing	D	1,975,500	12,500
Increase in cash in the period	E	47,361	12,500

NOTES TO THE CASH FLOW STATEMENT

For the period ended 5 April 2009

A. Reconciliation of operating loss to net cash (outflow) from operating activities	Period	Period
	1 Apr 08 to 5 Apr 09 £	11 Dec 06 to 31 Mar 08 £
Operating loss	(67,258)	-
Increase in creditors	7,000	-
Net cash outflow from operating activities	(60,258)	-
B. Returns on investment and servicing of finance		
	Period	Period
	1 Apr 08 to 5 Apr 09 £	11 Dec 06 to 31 Mar 08 £
Interest received	20,719	-
C. Acquisitions and disposals		
	Period	Period
	1 Apr 08 to 5 Apr 09 £	11 Dec 06 to 31 Mar 08 £
Investment in Partnership	(1,888,600)	(100)
Increase in creditors	-	100
Net cash outflow	(1,888,600)	-
D. Financing		
	Period	Period
	1 Apr 08 to 5 Apr 09 £	11 Dec 06 to 31 Mar 08 £
Issue of non-equity share capital	-	50,000
Issue of equity share capital	1,988,000	100
Redemption of non-equity shares	(50,000)	-
Decrease/(Increase) in debtors	37,500	(37,600)
Net cash inflow from financing activities	1,975,500	12,500
E. Analysis of changes in net funds		
	At 1 April 2008 £	At 5 April 2009 £
Cash at bank and in hand	12,500	59,861
F. Reconciliation of net cash flow to movement in net funds		
	Period	Period
	1 Apr 08 to 5 Apr 09 £	11 Dec 06 to 31 Mar 08 £
Increase in cash in the period	47,361	12,500
Net cash at start of period	12,500	-
Net cash at end of period	59,861	12,500

NOTES TO THE FINANCIAL STATEMENTS

5 April 2009

1. Principal accounting policies

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 financial period and prior financial period.

Investment in associated Partnership

The investment in the associated Partnership is accounted for using the equity method. The profit and loss account includes the Company's share of the Partnership's profits less losses while the Company's share of the net assets of the Partnership is shown in the balance sheet.

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.

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/loss.

Financial instruments

The Company's principal financial instruments are its bank balance, receivables and redeemable preference shares. The main purpose of the bank balance and receivables are to provide funding for the Company's operations and to ensure the Company can meet its liabilities as they fall due.

Due to the nature of the financial instruments used by the Company, there is no exposure to price risk. Credit risk of receivables is closely monitored.

Redeemable preference shares are redeemed in the event that sufficient new ordinary shares are issued in accordance with the offer set out in the prospectus issued by the Company (see note 10) and the redeemable preference shares are fully paid up. The redeemable preference shares have therefore been classified as long term liabilities of the Company.

The Company makes use of money market facilities when appropriate.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 April 2009

2. Operating loss

	Period 1 Apr 08 to 5 Apr 09 £	Period 11 Dec 06 to 31 Mar 08 £
The operating loss is stated after charging:		
Auditors' remuneration for audit services	2,500	-

3. Investments

	Period 1 Apr 08 to 5 Apr 09 £	Period 11 Dec 06 to 31 Mar 08 £
Cost / Share of net assets		
Balance brought forward	100	-
Movement during the period		
Capital paid	1,888,600	100
Share of Partnership's loss	(101,093)	-
Balance carried forward	1,787,607	100

The investment represents the interest in the Partnership. At the period end, the Company had a 1.5% interest in the capital of the Partnership and an entitlement to an allocation of profits and losses based on its respective Weighted Member's share. The Partnership 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. The Partnership made a net loss of £249,159 (2008: net loss of £4,388,482) during the year to 5 April 2009.

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.

4. Interest receivable and similar income

	Period 1 Apr 08 to 5 Apr 09 £	Period 11 Dec 06 to 31 Mar 08 £
Bank interest	20,719	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 April 2009

5. Taxation

a. The tax charge on the loss on ordinary activities for the period was as follows:

	Period 1 Apr 08 to 5 Apr 09 £	Period 11 Dec 06 to 31 Mar 08 £
Current tax charge for the period	-	-
Total tax charge	-	-

b. Factors affecting the tax charge for the period

	Period 1 Apr 08 to 5 Apr 09 £	Period 11 Dec 06 to 31 Mar 08 £
Loss on ordinary activities before taxation	(147,632)	-
Loss on ordinary activities for the period multiplied by the standard rate of corporation tax of 21%	(31,003)	-
Effects of:		
Expenses not deductible for tax purposes	12,524	-
Adjustment to allocation from Partnership	10,636	-
Tax losses not utilised	7,843	-
Current tax charge for the period	-	-

A potential deferred tax asset of £7,843 (2008: £nil) 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 during the period or the prior period. The directors did not receive any remuneration for their services during either the current period or prior period.

7. Debtors

	2009 £	2008 £
Amounts due from shareholders	100	37,600
	100	37,600

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 April 2009

8. Creditors: Amounts falling due within one year

	2009 £	2008 £
Accruals	7,000	-
Other creditors	100	100
	7,100	100

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

	2009 £	2008 £
Other creditors:		
Shares classified as financial liabilities (see note 10)	-	50,000
	-	50,000

10. Share capital

	Authorised			
	2009		2008	
	£	No.	£	No.
Ordinary shares of £1 each	10,000,000	10,000,000	9,950,000	9,950,000
Redeemable preference shares of £1 each	-	-	50,000	50,000

	Allotted			
	2009		2008	
	£	No.	£	No.
Ordinary shares of £1 each issued at par	1,988,100	1,988,100	100	100
Redeemable preference shares of £1 each	-	-	50,000	50,000

	Called up and fully or partly paid			
	2009		2008	
	£	No.	£	No.
Ordinary shares of £1 each issued at par	1,988,000	1,988,000	-	-
Redeemable preference shares of £1 each	-	-	12,500	50,000

1,988,000 new ordinary shares were allotted pursuant to an offer for subscription of up to 2,000,000 ordinary shares of £1 each at an issue price of £1 per new ordinary share as set out in a prospectus dated 18 July 2008 (as amended on the 31 October 2008). The subscriber shares deemed to be allotted upon incorporation were issued at nominal value.

On 6 March 2008, the Company issued and allotted 50,000 non-voting cumulative redeemable preference shares of £1 each to Ingenious Media Investments Limited (paid up as at one quarter of their nominal value). On 21 January 2009, these redeemable preference shares were fully paid up and on 30 January 2009, they were redeemed at par by the Company. Pursuant to article 2(c)(iv) of the Articles, each redeemable preference share has since been redesignated as an ordinary share of £1 in the authorised but unissued share capital of the Company.

The redeemable preference shares have been classified as financial liabilities and do not form part of equity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 April 2009

11. Statement of movements on profit and loss account

	Period 1 Apr 08 to 5 Apr 09 £	Period 11 Dec 06 to 31 Mar 08 £
Balance brought forward	-	-
Loss for the financial period	(147,632)	-
Balance carried forward	(147,632)	-

12. Reconciliation of movements in shareholders' funds

(i) Equity shareholders' funds

	Period 1 Apr 08 to 5 Apr 09 £	Period 11 Dec 06 to 31 Mar 08 £
Loss for the financial period	(147,632)	-
Equity share capital issued for cash	1,988,000	-
Net movement in equity shareholders' funds	1,840,368	-
Opening equity shareholders' funds	100	100
Closing equity shareholders' funds	1,840,468	100

(ii) Non-equity shareholders' funds

	Period 1 Apr 08 to 5 Apr 09 £	Period 11 Dec 06 to 31 Mar 08 £
Non-equity share capital issued at par	-	50,000
Redemption of non-equity share capital	(50,000)	-
Net movement in non-equity shareholders' funds	(50,000)	50,000
Opening non-equity shareholders' funds	50,000	-
Closing non-equity shareholders' funds	-	50,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 April 2009

13 Related party transactions

The directors of the Company are also directors of Ingenious Media Investments Limited. P A McKenna and S E Ford acted as directors of the Company and directors of Ingenious Media Investments Limited during all or part of the period ended 5 April 2009. Ingenious Media Investments Limited administers the Company under a placing and administration agreement.

Ingenious Media Investments Limited received fees of £64,640 from the Company for administrative and placing services provided. As at the period end the outstanding balance was £5,000.

On 6 March 2008, the Company allotted 50,000 redeemable preference shares to Ingenious Media Investments Limited. On 21 January 2009, these redeemable preference shares were fully paid up and on 30 January 2009, they were redeemed at par by the Company (see note 10).

J L Boyton and D M Reid, directors of the Company, are members of the Executive Committee of the Partnership. The Executive Committee has discretion to approve any television programmes proposed for production by Ingenious Media Investments Limited, which is the operator of the Partnership.

At the period end, the Company had a 1.5% interest in the capital of the Partnership and an entitlement to an allocation of profits and losses based on its respective Weighted Member's share (see note 3). As at 5 April 2009, the Company was allocated a loss of £101,093 from the Partnership.

14 Controlling party

During the period ended 5 April 2009 there was no direct or ultimate controlling party.