

**INGENIOUS BROADCASTING 43 PLC**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 5 APRIL 2010**

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COMPANIES HOUSE

Company Registration Number  
6027638 (England and Wales)

**ANNUAL REPORT AND FINANCIAL STATEMENTS 2010**

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## INGENIOUS BROADCASTING 43 PLC

### THE COMPANY AND ITS ADVISERS

<b>Directors</b>	J L Boyton M T Bugden J H M Clayton N A Forster D M Reid S J Speight
<b>Company Secretary</b>	S J Cruickshank
<b>Registered Office</b>	15 Golden Square London W1F 9JG
<b>Company Number</b>	6027638 (England and Wales)
<b>Auditors</b>	Shipleys LLP Chartered Accountants 10 Orange Street Haymarket London WC2H 7DQ
<b>Bankers</b>	HSBC Private Bank (UK) Limited 78 St James's Street London SW1A 1JB
<b>Registrars</b>	SLC Registrars Thames House Portsmouth Road Esher KT10 9AD

**DIRECTORS' REPORT**

5 April 2010

The directors present their Annual Report and audited Financial Statements for the year ended 5 April 2010

**PRINCIPAL ACTIVITY**

Ingenious Broadcasting 43 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 profit after tax of £1,899 for the year ended 5 April 2010 (2009 loss after tax of £179,421)

The net assets of the Company at 5 April 2010 were £1,819,125 (2009 £1,521,226)

The directors have not recommended a dividend (2009 £nil)

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

**PRODUCTION ACTIVITIES**

The Company has raised capital of £2.0 million to date of which £1.9 million has been deployed into the Partnership. The Partnership has engaged in £52.6 million (2009 £33.1 million) of television production expenditure for the year ended 5 April 2010. 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 2010 the Partnership committed to co-produce twelve (2009 seven) programmes. Eleven (2009 four) programmes were completed during the year, and five (2009 four) were still in production at the year end.

Total budget commitments in relation to these programmes totalled £52.6 million (2009 £33.1 million) and distributors acting on behalf of the Partnership have pre-sold the rights to all of these programmes. 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 2010

**FUTURE PROSPECTS**

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

**DIRECTORS**

The directors who served throughout the year except as noted, 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	-

**PAYMENT OF SUPPLIERS**

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

The trade creditor days at 5 April 2010 were 67 days (2009 327 days)

**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 2010

**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 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 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 2006. 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 s418 of the Companies Act 2006.

Shipleys LLP has indicated its willingness to remain in office and in accordance with s489 of the Companies Act 2006, 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 23 7 10 by



**S J Cruickshank**  
Company Secretary  
Registered office  
15 Golden Square  
London  
W1F 9JG

## **INGENIOUS BROADCASTING 43 PLC**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INGENIOUS BROADCASTING 43 PLC**

We have audited the Financial Statements of Ingenious Broadcasting 43 plc for the year ended 5 April 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Notes to 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 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INGENIOUS BROADCASTING 43 PLC (continued)**

**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 properly prepared in accordance with 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

**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



**Stephen Joberns (Senior Statutory Auditor)**  
for and on behalf of Shipleys LLP (Statutory Auditor)  
10 Orange Street, Haymarket, London, WC2H 7DQ

Date 23/7/10

Company Registration Number 6027638 (England & Wales)



# INGENIOUS BROADCASTING 43 PLC

## PROFIT AND LOSS ACCOUNT

Year ended 5 April 2010

	NOTE	Year ended 5 April 2010 £	Period 1 April 2008 to 5 April 2009 £
Administrative expenses		(7,325)	(66,897)
<b>OPERATING LOSS</b>	2	(7,325)	(66,897)
Share of associated Partnership's result	3	9,055	(112,536)
Interest receivable and similar income	4	169	12
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		1,899	(179,421)
Taxation on profit/(loss) on ordinary activities	5	-	-
<b>PROFIT/(LOSS) FOR THE YEAR/PERIOD</b>		1,899	(179,421)

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

The notes on pages 11 to 16 form part of these Financial Statements

# INGENIOUS BROADCASTING 43 PLC

## BALANCE SHEET

As at 5 April 2010

	NOTE	2010 £	2009 £
<b>FIXED ASSETS</b>			
Investments	3	1,793,364	1,503,084
<b>CURRENT ASSETS</b>			
Debtors	7	-	1,734,492
Cash at bank		28,431	16,067
		<b>28,431</b>	<b>1,750,559</b>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	8	<b>(2,670)</b>	<b>(1,682,417)</b>
<b>NET CURRENT ASSETS</b>		<b>25,761</b>	<b>68,142</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,819,125</b>	<b>1,571,226</b>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	9	<b>-</b>	<b>(50,000)</b>
<b>NET ASSETS</b>		<b>1,819,125</b>	<b>1,521,226</b>
<b>CAPITAL AND RESERVES</b>			
Called up equity share capital	10	1,996,647	1,700,647
Profit and loss account	11	(177,522)	(179,421)
<b>SHAREHOLDERS' FUNDS</b>	12	<b>1,819,125</b>	<b>1,521,226</b>

The notes on pages 11 to 16 form part of these Financial Statements

These Financial Statements were approved by the directors and authorised for issue on 23.7.10, and are signed on their behalf by



**N A Forster**  
Director

## INGENIOUS BROADCASTING 43 PLC

### CASH FLOW STATEMENT

Year ended 5 April 2010

	NOTE	2010 £	2009 £
Cash outflow from operating activities	1	(71,552)	-
Returns on investment and servicing of finance	2	169	12
Acquisitions and disposals	3	(1,896,745)	(100)
<b>Net cash outflow before management of liquid resources and financing</b>		<b>(1,968,128)</b>	<b>(88)</b>
Financing	4	1,980,492	16,155
<b>Increase in cash in the year/period</b>	<b>5</b>	<b>12,364</b>	<b>16,067</b>

The notes on pages 11 to 16 form part of these Financial Statements

## NOTES TO THE CASH FLOW STATEMENT

Year ended 5 April 2010

	2010 £	2009 £	
<b>1. Reconciliation of operating loss to net cash outflow from operating activities</b>			
Operating loss	(7,325)	(66,897)	
(Decrease)/increase in creditors	(64,227)	66,897	
<b>Net cash outflow from operating activities</b>	<b>(71,552)</b>	<b>-</b>	
<b>2. Returns on investment and servicing of finance</b>			
Interest received	169	12	
<b>3. Acquisitions and disposals</b>			
Investment in Partnership	(281,225)	(1,615,520)	
(Decrease)/increase in creditors	(1,615,520)	1,615,420	
<b>Net cash outflow</b>	<b>(1,896,745)</b>	<b>(100)</b>	
<b>4. Financing</b>			
Issue of equity share capital	296,000	1,700,547	
Issue of non-equity share capital	-	50,000	
Redemption of non-equity shares	(50,000)	-	
Decrease/(increase) in debtors	1,734,492	(1,734,392)	
<b>Net cash inflow from financing activities</b>	<b>1,980,492</b>	<b>16,155</b>	
<b>5. Analysis of changes in net funds</b>			
	At 6 April 2009 £	Cash flows £	At 5 April 2010 £
<b>Cash at bank</b>	<b>16,067</b>	<b>12,364</b>	<b>28,431</b>
		2010 £	2009 £
<b>6. Reconciliation of net cash flow to movement in net funds</b>			
Increase in cash in the year/period		12,364	16,067
Net funds at start of year/period		16,067	-
<b>Net funds at end of year/period</b>		<b>28,431</b>	<b>16,067</b>

The notes on pages 11 to 16 form part of these Financial Statements

**NOTES TO THE FINANCIAL STATEMENTS**

5 April 2010

**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 year and prior 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 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 2010

## 2. Operating loss

The operating loss is stated after charging	Year ended 5 April 2010 £	Period 1 April 2008 to 5 April 2009 £
Auditors' remuneration for audit services	670	2,000

## 3. Investments

	Year ended 5 April 2010 £	Period 1 April 2008 to 5 April 2009 £
<b>Cost / share of net assets</b>		
Balance brought forward	1,503,084	100
Movement during the year/period		
Capital paid	281,225	1,615,520
Share of Partnership's result	9,055	(112,536)
<b>Balance carried forward</b>	<b>1,793,364</b>	<b>1,503,084</b>

The investment represents the interest in the Partnership. At the year end, the Company had a 1.3% (2009 1.2%) 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 Partnerships 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 £184,278 (2009 net loss of £249,159) during the year to 5 April 2010.

The directors do not consider there to have been any indication of a permanent diminution 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

	Year ended 5 April 2010 £	Period 1 April 2008 to 5 April 2009 £
Bank interest	169	12

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

5 April 2010

**5. Taxation**

The tax charge on the profit/(loss) on ordinary activities for the year/period was as follows	Year ended 5 April 2010 £	Period 1 April 2008 to 5 April 2009 £
Current tax charge for the year/period	-	-
<b>Total tax charge</b>	-	-

Factors affecting the tax charge for the year/period	Year ended 5 April 2010 £	Period 1 April 2008 to 5 April 2009 £
Profit/(loss) on ordinary activities before taxation	1,899	(179,421)
Profit/(loss) on ordinary activities for the year/period multiplied by the standard rate of corporation tax of 21% (2009 21%)	399	(37,678)
Effects of		
Expenses not deductible for tax purposes	-	12,578
Adjustment to allocation from Partnership	(1,675)	10,273
Tax losses not utilised	1,276	14,827
<b>Current tax charge for the year/period</b>	-	-

A potential deferred tax asset of £16,103 (2009 £14,827) 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 current year or the prior period. The directors did not receive any remuneration for their services during either the current year or prior period.

**7. Debtors**

	2010 £	2009 £
Amounts due from shareholders	-	37,500
Shareholder cash held by registrar	-	1,696,992
	-	1,734,492

## NOTES TO THE FINANCIAL STATEMENTS (continued)

5 April 2010

## 8. Creditors: Amounts falling due within one year

	2010	2009
	£	£
Accruals	1,335	7,000
Trade creditors	1,335	59,897
Other creditors	-	1,615,520
	<b>2,670</b>	<b>1,682,417</b>

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

	2010	2009
	£	£
Other creditors		
Shares classified as financial liabilities (see note 10)	-	50,000
	<b>-</b>	<b>50,000</b>

## 10. Share capital

	Allotted			
	2010		2009	
	£	No	£	No.
Ordinary shares of £1 each issued at par	1,996,647	1,996,647	1,700,647	1,700,647
Redeemable preference shares of £1 each	-	-	50,000	50,000
	Called up and fully paid			
	2010		2009	
	£	No	£	No
Ordinary shares of £1 each issued at par	1,996,647	1,996,647	1,700,647	1,700,647
Redeemable preference shares of £1 each	-	-	12,500	50,000

296,000 new ordinary shares were allotted during the year, 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 31 October 2008). The subscriber shares deemed to be allotted upon incorporation were issued at nominal value.

On 4 December 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 7 July 2009, these redeemable preference shares were fully paid up and on 8 July 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 2010

11. Statement of movements on Profit and Loss Account

	2010 £	2009 £
Balance brought forward	(179,421)	-
Profit/(loss) for the year/period	1,899	(179,421)
<b>Balance carried forward</b>	<b>(177,522)</b>	<b>(179,421)</b>

12. Reconciliation of movements in shareholders' funds

<b>(i) Equity shareholders' funds</b>	<b>2010 £</b>	<b>2009 £</b>
Profit/(loss) for the year/period	1,899	(179,421)
Equity share capital issued for cash	296,000	1,700,547
Net movement in equity shareholders' funds	297,899	1,521,126
Opening equity shareholders' funds	1,521,226	100
<b>Closing equity shareholders' funds</b>	<b>1,819,125</b>	<b>1,521,226</b>
<b>(ii) Non-equity shareholders' funds</b>	<b>2010 £</b>	<b>2009 £</b>
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	-
<b>Closing non-equity shareholders' funds</b>	<b>-</b>	<b>50,000</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

5 April 2010

**13. Related party transactions**

The directors of the Company were also directors of Ingenious Media Investments Limited during all or part of the year ended 5 April 2010. Ingenious Media Investments Limited administers the Company under a placing and administration agreement.

Ingenious Media Investments Limited received fees of £5,000 (2009 £64,897) from the Company for administrative and placing services provided. As at the year end the outstanding balance was £nil (2009 £64,897).

On 4 December 2008, the Company allotted 50,000 redeemable preference shares of £1 each to Ingenious Media Investments Limited. On 7 July 2009, these redeemable preference shares were fully paid up and on 8 July 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 year end, the Company had a 1.3% (2009 1.2%) 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). During the year, the Company was allocated a profit of £9,055 (2009 loss of £112,536) from the Partnership.

**14. Controlling party**

During the year ended 5 April 2010 there was no direct or ultimate controlling party.