

**INGENIOUS MEDIA HOLDINGS PLC**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**5 APRIL 2010**



Company Registration Number  
6525088 (England and Wales)

## INGENIOUS MEDIA HOLDINGS PLC

The Company	Ingenious Media Holdings plc
Directors	P M Shawyer (Chairman) P A McKenna (Chief Executive) G J Arkell N R Blackley J L Boyton R F Dale N A Forster D Mansfield D M Reid
Company Secretary	S J Cruickshank
Registered Office	15 Golden Square London W1F 9JG
Registered Number	6525088 (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

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

The directors present the Annual Report and Financial Statements of Ingenious Media Holdings plc ("the Company") and the Ingenious Media Holdings plc group ("the Group") for the year ended 5 April 2010

**Principal activity and review of the business**

The principal activity of the Group continued to be the provision of investment and advisory services to the media and entertainment industry. The primary subsidiaries and other undertakings included within the Group results are those listed in note 11 to the financial statements.

Operating profit for the year has increased by 15% to £27.8m. Profit before tax has increased by 2% to £26.2m driven by the increase in operating profit offset by lower returns on the Group's cash deposits. There have been no significant events since the balance sheet date.

The directors consider the results for the year and the financial position at the end of it to be satisfactory and believe the Group is well positioned for the future.

The directors believe that further key performance indicators for the Group are not necessary or appropriate for an understanding of the development, performance or position of the business.

**Principal risks and uncertainties**

The Group actively manages risks and uncertainties facing its business by undertaking regular strategic reviews. The principal risks identified are those relating to the national and global economy and legislative changes relating to the media and entertainment industry. Damage to our reputation and competitive pressure are also continuing risks for the Group. The Group seeks to mitigate these risks through the rigorous selection and training of our people, and the building and maintaining of strong relationships with clients and other key stakeholders.

**Going concern**

The directors have reasonable expectation that the Company and the Group will continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

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

**Dividends**

During the year a dividend became payable of £0.2m on the 'A' and 'B' preferred ordinary shares (year ended 5 April 2009 - £0.4m). The directors do not propose to pay a final dividend (year ended 5 April 2009 - £nil).

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

**Future developments**

The Group intends to continue providing investment and advisory services to the media and entertainment industry

**Directors**

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

	Resignation date
G J Arkell	
N R Blackley	
G R Bowles	16 June 2010
J L Boyton	
R F Dale	
N A Forster	
N C Harvey	16 June 2010
D Mansfield	
P A McKenna	
K J N Meek	16 June 2010
D M Reid	
P M Shawyer	

**Charitable contributions**

During the year the Group made charitable donations of £72,927 (year ended 5 April 2009 - £172,035)

**Creditors payment policy**

The Company does not follow a 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. Trade creditors of the Group at 5 April 2010 were equivalent to 2 (year ended 5 April 2009 - 12) days' sales.

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

**Financial instruments and risk management**

The Group operates a treasury function which is responsible for managing the liquidity and interest risks associated with the Group's activities

The Group's principal financial instruments include cash and loans, the main purpose of which is to raise finance for the Group's operations. The most important components of financial risk are

**(a) Liquidity risk**

The Group manages its cash and borrowing requirements in order to maximise returns, whilst ensuring the Group has sufficient liquid resources to meet the operating needs of the business as well as the regulatory capital requirements as laid down by the Financial Services Authority

**(b) Interest rate risk**

The Group is exposed to movements in interest rates in respect of its borrowings and deposit balances as well as on the loans it provides. The Group negotiates a fixed margin of interest payable on borrowings and on loans

**(c) Credit risk**

The Group regularly reviews its treasury management strategy based upon all available information. Where loans are provided in the normal course of business, credit reviews are undertaken where possible

**Statement of directors' responsibilities**

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

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). 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 the Group and of the profit or loss of the Company and the Group for that period. In preparing these 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 subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 the Group 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 director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the Company's 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

Deloitte 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

Approved by the board of directors and signed on its behalf by



**S J Cruickshank**  
Company Secretary

27 September 2010  
Registered office  
15 Golden Square  
London  
W1F 9JG

Company Registration Number 6525088 (England and Wales)

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF INGENIOUS MEDIA HOLDINGS PLC**

We have audited the financial statements of Ingenious Media Holdings plc for the year ended 5 April 2010 which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets, the Group Cash Flow Statement and related notes, the Statement of Accounting Policies and the related notes 1 to 28. 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 Group's and 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 Group's and the Company's affairs as at 5 April 2010 and the Group's 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.



## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF INGENIOUS MEDIA HOLDINGS PLC (Continued)

### 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 by the Company, or returns adequate for our audit have not been received from branches not visited by us, or
- the Company's 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

29 September 2010

**GROUP PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 5 APRIL 2010**

	Notes	Year ended 5 April 2010 £ '000s	Year ended 5 April 2009 £ '000s
<b>Turnover</b>	1	<b>471,342</b>	502,165
Cost of sales		<u>(421,773)</u>	<u>(448,860)</u>
<b>Gross profit</b>		<b>49,569</b>	53,305
Administrative expenses		<u>(25,502)</u>	<u>(29,817)</u>
Other operating income		<u>3,722</u>	<u>721</u>
<b>Operating profit</b>	2	<b>27,789</b>	24,209
Share of profit from partnerships	11	554	484
Profit from other interests	11	401	429
Interest receivable and similar income	5	96	3,208
Interest payable and similar charges	6	<u>(2,690)</u>	<u>(2,729)</u>
<b>Profit on ordinary activities before taxation</b>		<b>26,150</b>	25,601
Taxation	7	<u>(458)</u>	<u>(1,675)</u>
<b>Profit on ordinary activities after taxation</b>		<b>25,692</b>	23,926
Minority interest	21	<u>8</u>	<u>5</u>
<b>Profit for the financial year</b>	19	<b>25,700</b>	23,931

The accounting policies and notes on pages 12 to 43 form an integral part of these financial statements

All of the Group's turnover and operating profit is derived from continuing operations during the current and prior year

The Group has 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 SHEETS**  
**AS AT 5 APRIL 2010**

	Notes	Group		Company	
		5 April 2010 £ '000s	5 April 2009 £ '000s	5 April 2010 £ '000s	5 April 2009 £ '000s
<b>Fixed assets</b>					
Goodwill	8	720	762	-	-
Acquired rights	9	-	-	-	-
Tangible fixed assets	10	2,746	3,239	-	-
Investments	11	758,115	463,247	150,000	150,000
		<u>761,581</u>	<u>467,248</u>	<u>150,000</u>	<u>150,000</u>
<b>Current assets</b>					
Stock	12	7,043	31,149	-	-
Debtors					
Due within one year	13	800,440	419,727	25,149	25,149
Due after one year	13	891,175	937,933	-	-
Current asset investments		3,197	-	-	-
Cash at bank and in hand		162,628	62,489	52	252
		<u>1,864,483</u>	<u>1,451,298</u>	<u>25,201</u>	<u>25,401</u>
<b>Creditors. Amounts falling due within one year</b>	14	<u>(894,101)</u>	<u>(643,732)</u>	<u>(142,382)</u>	<u>(152,123)</u>
<b>Net current assets/(liabilities)</b>		<u>970,382</u>	<u>807,566</u>	<u>(117,181)</u>	<u>(126,722)</u>
<b>Total assets less current liabilities</b>		<u>1,731,963</u>	<u>1,274,814</u>	<u>32,819</u>	<u>23,278</u>
<b>Creditors. Amounts falling due after more than one year</b>	15	<u>(1,647,616)</u>	<u>(1,221,837)</u>	<u>-</u>	<u>(25,000)</u>
<b>Provision for liabilities and charges</b>	16	<u>(30,116)</u>	<u>(24,212)</u>	<u>-</u>	<u>-</u>
<b>Net assets/(liabilities)</b>		<u>54,231</u>	<u>28,765</u>	<u>32,819</u>	<u>(1,722)</u>
<b>Capital and reserves</b>					
Called up share capital	17	154	154	154	154
Merger reserve	18	(149,945)	(149,945)	-	-
Profit and loss account	19	204,020	178,546	32,665	(1,876)
<b>Shareholders' funds/(deficit)</b>	20	<u>54,229</u>	<u>28,755</u>	<u>32,819</u>	<u>(1,722)</u>
<b>Minority interest</b>	21	<u>2</u>	<u>10</u>	<u>-</u>	<u>-</u>
<b>Total capital employed</b>		<u>54,231</u>	<u>28,765</u>	<u>32,819</u>	<u>(1,722)</u>

The accounting policies and notes on pages 12 to 43 form an integral part of these financial statements

The financial statements were approved by the board of directors and authorised for issue on 27 September 2010

They were signed on behalf of the board of directors by



**N A Forster**  
Director  
27 September 2010

Company Registration Number 6525088 (England and Wales)

**GROUP CASH FLOW STATEMENT**  
**YEAR ENDED 5 APRIL 2010**

	Notes	Year ended 5 April 2010 £ '000s	Year ended 5 April 2009 £ '000s
Net cash inflow from operating activities	A	54,057	32,017
Returns on investment and servicing of finance	B	800	3,718
Taxation		378	98
Capital expenditure and financial investments	B	(82,458)	(79,435)
Acquisitions and disposals	B	(6,953)	(12,489)
Equity dividends paid		<u>(181)</u>	<u>-</u>
Net cash outflow before management of liquid resources and financing		(34,357)	(56,091)
Management of liquid resources	B	(3,197)	-
Financing	B	<u>137,440</u>	<u>22,226</u>
Increase/(decrease) in cash in the year	C	<u>99,886</u>	<u>(33,865)</u>

NOTES TO THE CASH FLOW STATEMENT  
YEAR ENDED 5 APRIL 2010

A) Reconciliation of operating profit to net cash inflow from operating activities

	Year ended 5 April 2010 £ '000s	Year ended 5 April 2009 £ '000s
<b>Operating profit</b>	<b>27,789</b>	<b>24,209</b>
Depreciation charge (see note 10)	731	869
Amortisation of goodwill (see note 8)	42	42
Decrease in provision for fixed asset cost	-	619
Provision for impairment of fixed asset investments - written (back)/off (see note 11)	(2,536)	9,348
Amortisation of acquired rights (see note 9)	2,798	3,025
Decrease in stock	24,106	37,718
Increase in debtors	(454,543)	(37,630)
Increase/(decrease) in creditors	455,670	(6,183)
<b>Net cash inflow from operating activities</b>	<b>54,057</b>	<b>32,017</b>

B) Analysis of cash flows

	Year ended 5 April 2010 £ '000s	Year ended 5 April 2009 £ '000s
<b>Returns on investment and servicing of finance</b>		
Interest received	96	3,208
Interest paid	(2,690)	(2,729)
Interest element of finance leases	(1,408)	(1,715)
Amounts received from partnerships and other investments	4,802	4,954
<b>Net cash inflow</b>	<b>800</b>	<b>3,718</b>
<b>Capital expenditure and financial investments</b>		
Payments to acquire tangible fixed assets	(238)	(151)
Purchase of other investments	(84,020)	(79,361)
Disposal of financial investments	1,800	77
<b>Net cash outflow</b>	<b>(82,458)</b>	<b>(79,435)</b>
<b>Acquisitions and disposals</b>		
Purchase of acquired rights	(2,798)	(3,025)
Investment in partnerships and other investments	(4,155)	(9,464)
<b>Net cash outflow</b>	<b>(6,953)</b>	<b>(12,489)</b>

**NOTES TO THE CASH FLOW STATEMENT (Continued)**  
**YEAR ENDED 5 APRIL 2010**

**B) Analysis of cash flows (continued)**

	Year ended 5 April 2010 £ '000s	Year ended 5 April 2009 £ '000s
<b>Management of liquid resources</b>		
Purchase of listed investment	(3,197)	-
<b>Net cash outflow</b>	<b>(3,197)</b>	<b>-</b>
<b>Financing</b>		
Bank loans	17,358	8,208
Other loans	120,082	14,068
Share capital redeemed	-	(50)
<b>Net cash inflow</b>	<b>137,440</b>	<b>22,226</b>

**C) Analysis of changes in net debt**

	At 6 April 2009 £ '000s	Cash flows £ '000s	Non cash movements £ '000s	At 5 April 2010 £ '000s
Cash at bank and in hand and overdrafts	60,694	99,886	-	160,580
Current asset investment	-	3,197	-	3,197
Debt due - bank and trade loans	(318,919)	(17,358)	(96,438)	(432,715)
	(258,225)	85,725	(96,438)	(268,938)

Short-term deposits are treated as liquid resources in the Cash Flow Statement and are included within cash at bank and in hand in the Balance Sheet

**D) Reconciliation of net cash flow to movement in net debt**

	5 April 2010 £ '000s	5 April 2009 £ '000s
Increase/(decrease) in cash in the year	99,886	(33,865)
Cash inflow from increase in debt	(17,358)	(8,208)
Cash outflow from increase in liquid resources	3,197	-
Changes resulting from cash flows	85,725	(42,073)
Non cash movements	(96,438)	(76,866)
Net debt brought forward	(258,225)	(139,286)
<b>Net debt carried forward</b>	<b>(268,938)</b>	<b>(258,225)</b>

Non cash movements predominantly relate to trade loan balances with film and video games distributors. See note 15

## 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 financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards.

#### Group reorganisation

On 5 April 2008 the Group undertook a reorganisation which involved a new holding company, Ingenious Media Holdings Limited, acquiring the entire issued share capital of Ingenious Media plc, which was the previous holding company of the Group. After the reorganisation, Ingenious Media plc was re-registered as a private company with the name Ingenious Media Limited and Ingenious Media Holdings Limited was re-registered as Ingenious Media Holdings plc.

As part of the reorganisation, a £25m loan facility was drawn down by the Company, and 100,000 £1 'A' preferred ordinary shares and 49,000 90p 'B' preferred ordinary shares were issued to Bank of Scotland plc. The loan facility is repayable by 5 April 2011. P. A. McKenna has an obligation to purchase both classes of the preferred ordinary shares by 30 April 2011. The preferred ordinary shares carry no voting rights and no entitlement to any dividend participation above the level in the articles of association. On a distribution of capital before 30 April 2011, Bank of Scotland plc is entitled to the first £5m of capital and any unpaid dividends on the preferred ordinary shares.

A fixed and floating charge was granted to Patrick McKenna over the assets of the Company and Ingenious Media Limited as part of the Group reorganisation.

The Group reorganisation was accounted for using merger accounting principles in order to meet the overriding requirement under section 277(6) of the Companies Act 1985 for financial statements to present a true and fair view. The reorganisation did not meet one of the conditions for merger accounting under the Companies Act 1985, namely that the fair value of any non-equity consideration must not exceed 10% of the nominal value of equity shares issued. However, the directors consider that the alternative approach of acquisition accounting, with the restatement of separable assets and liabilities to fair values, the creation of goodwill and inclusion of post-reorganisation results only, would not give a true and fair view of the Group's results and financial position. The substance of the transaction was not the acquisition of a business but a group reorganisation under which a new holding company has been established with all the former shareholders of Ingenious Media Limited having the same proportionate interest in the new holding company as they had previously held in Ingenious Media Limited.

The directors considered that it was not practicable to quantify the effect of this departure from the Companies Act 1985 requirements in 2008.

#### Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the business review on page 1. The Directors' Report on pages 1 to 4 describes the financial position of the Group, its cash flows, liquidity position and borrowing facilities, the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, and its exposure to credit risk and liquidity risk.

Having assessed the risks facing the business as set out in the Directors' Report, its financial position, profit and cash flow forecasts the directors believe that the Group is well placed to manage its business successfully despite the current uncertain economic outlook. The directors have reasonable expectation that the Company and the Group have adequate resources 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.

## STATEMENT OF ACCOUNTING POLICIES (Continued)

### 5 APRIL 2010

#### Basis of consolidation

The financial statements represent the consolidated accounts of the Company and of each of its subsidiary and associated undertakings. The results of subsidiary undertakings acquired during the financial year are included from the date on which control passes and are accounted for under the acquisition method unless otherwise noted.

The Profit and Loss Account of the Company is not included in these accounts as permitted by section 408 of the Companies Act 2006. The Company's profit for the financial year amounted to £34.8m (year ended 5 April 2009 - loss of £0.1m).

#### Turnover

Turnover represents amounts receivable for services net of VAT and is derived from the Group's principal activity. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration.

#### Production sale and leaseback

The producer fees receivable for entering into sale and leaseback transactions are credited to the Profit and Loss Account in the year during which the contracts are fulfilled. The balance of sale proceeds and the corresponding lease obligations are not brought into the financial statements, as explained in note 24.

#### Leased assets

Rentals payable under operating leases are charged against income on a straight-line basis over the lease term.

#### 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 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 the 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 discounted.

#### Pension

The pension costs charged in the financial statements represent the defined contributions payable by the Group during the year on an accruals basis.

#### Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the Balance Sheet date. Exchange differences are taken to the Profit and Loss Account.

#### Intangible assets - goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight-line basis over its useful economic life, which is 20 years. Provision is made for any impairment.



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

**Intangible assets - acquired rights**

Where the rights to future film receipts are acquired from ordinary members in film partnerships, an intangible asset arises representing the value of payments owing to those members. The intangible asset is amortised to the Profit and Loss Account on a systematic basis to match against the income generated by the acquisition.

**Tangible fixed assets**

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold land and buildings	In equal instalments over the remaining period of the lease
Fixtures, fittings and equipment	10% - 33% on cost

**Investments**

*Interest in partnerships*

Fixed asset investments in partnerships are held at cost adjusted for allocated profit and drawings. The allocated partnership's profit or loss is included within the Profit and Loss Account.

*Other investments and loans*

Other investments are stated at cost less impairment.

*Current asset investments*

Current asset investments are stated at cost less impairment. The aggregate market value of the listed investments at the year end was £3,207k (2009 - £nil). No tax would be payable or recoverable if the assets were sold at this value (2009 - £nil).

**Stock**

Stock is valued at the lower of cost and net realisable value.

**Long-term contracts**

Amounts recoverable on long-term contracts, which are included in debtors, are stated at the net sales value of the work performed less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the Profit and Loss Account turnover and related costs as contract activity progresses. Turnover is calculated by reference to the value of work performed to date as a proportion of the total contract value. Provision is made for the full amount of foreseeable losses on contracts.

**Trade loans**

Trade loans entered into are recorded at the full extent of their legal liability at the date that the loan agreement was signed, less any repayments to date.

**Bank borrowings**

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges are accounted for on an accruals basis in the Profit and Loss Account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

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

**Financial liabilities and equity**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into

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

Ingenious Media Services Limited, a wholly owned subsidiary of Ingenious Media Limited, has entered into a series of agreements with various Limited Liability Partnerships ('the LLPs'), to source and undertake various activities on the LLPs' behalf. The LLPs maintain a right of approval over any such activities and also over the use of such funds advanced until suitable opportunities arise. The risks and rewards of the activities conducted rest with the LLPs.

In the opinion of the directors each of the above arrangements constitutes a JANE, as defined by FRS 9 *Associates and Joint Ventures*. Accordingly all transactions entered into by Ingenious Media Services Limited under these agreements are not recorded within the Group's accounts but in the LLPs' accounts to reflect the substance of those transactions.

**Film finance leases**

In accordance with SSAP 21 *Leases and Hire Purchase Contracts*, the amount due from the lessee under finance leases is recorded in the Balance Sheet as a debtor at the amount of the net investment in the lease, less provision for any items such as bad and doubtful rentals receivable.

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

**1. Analysis of turnover, profit and net assets by class of business and geographical segment**

In the opinion of the directors it would be seriously prejudicial to the interests of the Group to disclose this information

**2. Operating profit**

	Year ended 5 April 2010 £ '000s	Year ended 5 April 2009 £ '000s
<hr/> This is stated after charging/(crediting)		
Amortisation of goodwill (see note 8)	42	42
Amortisation of intangible asset (see note 9)	2,798	3,025
Depreciation of tangible fixed assets (see note 10)	731	869
Write back of depreciation on cost adjustment	-	(169)
Provision for impairment of fixed asset investments - written (back)/off (see note 11)	(2,536)	9,348
Operating lease rentals - land and buildings	1,236	1,236
Foreign exchange gain	-	(1,390)
 Auditors' remuneration		
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	5	26
 Fees payable to the Group's auditors for the audit of the Group's subsidiaries pursuant to legislation	305	272
 <b>Total audit fees</b>	<b>310</b>	<b>298</b>
 Other services		
Tax services - current auditors	41	69
Commissions paid - current auditors	47	347
Other services - current auditors	1	53
 <b>Total non-audit fees</b>	<b>89</b>	<b>469</b>

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

**3. Staff costs**

Group staff costs, including directors' remuneration (see note 4), were as follows

	Year ended 5 April 2010 £ '000s	Year ended 5 April 2009 £ '000s
Wages and salaries	14,743	16,001
Social security costs	1,887	2,041
Other pension costs	4	4
	<b>16,634</b>	<b>18,046</b>

The average monthly number of employees (including directors) during the year was as follows

	Year ended 5 April 2010	Year ended 5 April 2009
Office and administration	156	152

**4. Directors' remuneration**

	Year ended 5 April 2010 £ '000s	Year ended 5 April 2009 £ '000s
Emoluments for qualifying services	3,197	3,231
Compensation for loss of office	-	160
Company pension contributions to money purchase scheme	4	4
	<b>3,201</b>	<b>3,395</b>

The above pension contributions were paid into a personal pension scheme on behalf of one of the directors

The emoluments of the highest paid director of the Group were as follows

	Year ended 5 April 2010 £ '000s	Year ended 5 April 2009 £ '000s
Emoluments for qualifying services	586	950

See also directors' current accounts in note 26

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
5 APRIL 2010

5 Interest receivable and similar income

	Year ended 5 April 2010 £ '000s	Year ended 5 April 2009 £ '000s
Bank interest	96	2,152
Loan interest	-	1,056
	<u>96</u>	<u>3,208</u>

6. Interest payable and similar charges

	Year ended 5 April 2010 £ '000s	Year ended 5 April 2009 £ '000s
Interest payable on bank overdrafts and bank loans	2,690	2,729

7. Taxation

The tax charge on the profit 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%) based on the adjusted results for the year	1,282	-
Current tax charge	1,282	-
Deferred tax (credit)/charge for the year (note 16)	(822)	1,665
Deferred tax adjustment in respect of prior years (note 16)	(2)	10
	<u>458</u>	<u>1,675</u>

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

**7 Taxation (continued)**

Factors affecting the tax charge for the year

	Year ended 5 April 2010 £ '000s	Year ended 5 April 2009 £ '000s
<b>Profit on ordinary activities before taxation</b>	<b>26,150</b>	<b>25,601</b>
Profit on ordinary activities for the year multiplied by standard rate of corporation tax in the UK of 28% (year ended 5 April 2009 - 28%)	7,322	7,168
Effects of		
Adjustments resulting from investment in film partnerships	700	(2,908)
Adjustments in respect of investment in LLPs	(1,778)	(2,269)
Unrelieved tax losses in the year	292	3,478
Tax losses brought forward	(611)	(6,596)
Expenses not deductible for tax purposes	(327)	883
Overseas tax rates	(42)	-
Timing differences in relation to capital allowances	63	27
Other short-term timing differences	-	490
Income of consolidated partnerships taxable on members	(4,337)	(275)
Sundry adjustments	-	2
<b>Current tax charge</b>	<b>1,282</b>	<b>-</b>

A potential deferred tax asset of £11.3m 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

**8. Intangible fixed assets - goodwill**

The carrying value of the goodwill balance is as follows

*Group*

	Year ended 5 April 2010 £ '000s	Year ended 5 April 2009 £ '000s
<b>Cost</b>		
Balance brought forward	816	2,910
Impairment	-	(2,094)
<b>Balance carried forward</b>	<b>816</b>	<b>816</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
5 APRIL 2010

8 Intangible fixed assets - goodwill (continued)

	Year ended 5 April 2010 £ '000s	Year ended 5 April 2009 £ '000s
<b>Amortisation</b>		
Balance brought forward	(54)	(12)
Charge for the year	(42)	(42)
<b>Balance carried forward</b>	<b>(96)</b>	<b>(54)</b>
<b>Net book values</b>	<b>720</b>	<b>762</b>

9. Intangible fixed assets - acquired rights

*Group*

	Year ended 5 April 2010 £ '000s	Year ended 5 April 2009 £ '000s
<b>Cost</b>		
Balance brought forward	-	-
Additions	2,798	3,025
Amortisation	(2,798)	(3,025)
<b>Balance carried forward</b>	<b>-</b>	<b>-</b>

The above amortisation charge of £2.8m (year ended 5 April 2009 - £3.0m) is included within administrative expenses in the Profit and Loss Account.

On 5 April 2008 Ingenious Film Partners Limited acquired the right to receive future film receipts above an agreed level from the ordinary members of the Ingenious Film Partners LLP which was retrospectively effective from 30 October 2007.

On 5 April 2008 Ingenious Film Partners 2 Limited acquired the right to receive future film receipts above an agreed level from the ordinary members of the Ingenious Film Partners 2 LLP which was retrospectively effective from 21 December 2007.

In both acquisitions the amount payable to the ordinary members is capitalised as an intangible asset and amortised as a charge to the Profit and Loss Account to match the income that the asset has generated.

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
5 APRIL 2010

10. Tangible fixed assets

<i>Group</i>	Short leasehold land and buildings £ '000s	Fixtures, fittings and equipment £ '000s	Total £ '000s
<b>Cost</b>			
At 6 April 2009	3,129	2,117	5,246
Additions	<u>10</u>	<u>228</u>	<u>238</u>
<b>At 5 April 2010</b>	<u>3,139</u>	<u>2,345</u>	<u>5,484</u>
<b>Depreciation</b>			
At 6 April 2009	799	1,208	2,007
Charge for the year	<u>338</u>	<u>393</u>	<u>731</u>
<b>At 5 April 2010</b>	<u>1,137</u>	<u>1,601</u>	<u>2,738</u>
<b>Net book values</b>			
<b>At 5 April 2010</b>	<u>2,002</u>	<u>744</u>	<u>2,746</u>
At 5 April 2009	<u>2,330</u>	<u>909</u>	<u>3,239</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued)  
5 APRIL 2010

11 Fixed asset investments - Group

	Interest in partnerships £ '000s	Other investments £ '000s	Other loans £ '000s	Total £ '000s
<b>Cost/share of net assets</b>				
At 6 April 2009	326,087	136,275	885	<b>463,247</b>
Additions				
Capital invested	116,422	180,138	11	<b>296,571</b>
Drawings	(2,090)	(1,304)	-	<b>(3,394)</b>
Share of profits	554	401	-	<b>955</b>
Provision for impairment - written (off)/back	(1,189)	3,787	(62)	<b>2,536</b>
Disposals/repayment	-	(1,800)	-	<b>(1,800)</b>
<b>At 5 April 2010</b>	<b>439,784</b>	<b>317,497</b>	<b>834</b>	<b>758,115</b>

Other investments are largely represented by the Group's investment in film sale and leaseback partnerships via corporate partners wholly-owned by the Group

Fixed asset investments - Company

	Total £ '000s
<b>Cost</b>	
At 6 April 2009	150,000
<b>At 5 April 2010</b>	<b>150,000</b>

See accounting policies, Group reorganisation section, for further information on the Company's investment

During the year the Group had the following principal operating subsidiaries which were all incorporated and registered in England and Wales (unless otherwise indicated), and were included within the consolidated financial statements

Subsidiary Undertakings	Activity	Class	%
Ingenious Media Ltd	Services to media and entertainment sector	Ordinary	100
Ingenious Media Investments Ltd	Services to media and entertainment sector (FSA registered)	Ordinary	100
Ingenious Corporate Finance Ltd	Corporate finance (FSA registered)	Ordinary	100
Ingenious Resources Ltd	Provision of investment capital	Ordinary	100
Ingenious Films Ltd	Services to film industry	Ordinary	100
Ingenious Treasury Services Ltd	Group treasury function	Ordinary	100
Ingenious Media Services Ltd	Services to film industry	Ordinary	100
Ingenious Distribution Services Ltd	Services to video, film and television	Ordinary	100
Ingenious Bond Services Ltd	Provide completion bonds for television production	Ordinary	100
Ingenious Games Services Ltd	Services to video games industry	Ordinary	100
Ingenious Film Partners Ltd	Integrated film business	Ordinary	100
Ingenious Film Partners 2 Ltd	Integrated film business	Ordinary	100

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

**11. Fixed asset investments (continued)**

Subsidiary Undertakings	Activity	Class	%
Ingenious Film Partners 3 Ltd	Integrated film business	Ordinary	100
Ingenious Film Partners LLP	Integrated film business	Members' Capital	53
Ingenious Film Partners 2 LLP	Integrated film business	Members' Capital	53
Big Screen Productions 2 Ltd-5 Ltd	Integrated film business	Ordinary	100
Big Screen Productions 7 Ltd-13 Ltd	Film production	Ordinary	100
Ingenious Games Ltd	Video games development	Ordinary	100
Mercury Film Productions Ltd	Film production	Ordinary	100
Ingenious Ventures Ltd	Investment management services	Ordinary	100
Ingenious Asset Management Ltd	Discretionary investment management (FSA registered)	Ordinary	100
Ingenious Asset Management International Ltd	Discretionary investment management (Guernsey registered)	Ordinary	100
Pall Mall Film Partners	Film partnership (unincorporated)	Members' Capital	100
Ingenious Media Consulting Ltd	Media consultancy	Ordinary	100
Perspective Associates Ltd	Public policy and regulatory consultancy	Ordinary	80
Human Capital Ltd	Strategic consultancy and consumer research	Ordinary	100
Ingenious Consulting Associates Ltd	Media consultancy	Ordinary	100
Ingenious Consulting Network Ltd	Media consultancy	Ordinary	100
Ingenious (Jersey) Film Sales Ltd	Film sales and marketing (Jersey registered)	Ordinary	100
Little Blair Productions IM Ltd	Film production	Ordinary	100
Ingenious Fuller Partnership IM Ltd	Film production	Ordinary	100
Solar Film Partners IM Ltd	Film production	Ordinary	100
Starlight Film Partners Ltd	Film production	Ordinary	100
Capitan Films Ltd	Film production	Ordinary	100
Delphi Film Partner 1 Ltd	Film production	Ordinary	100
Jade Film Partner 1 Ltd	Film production	Ordinary	100
Jewel Film Partner 1 Ltd	Film production	Ordinary	100
Sapphire Film Partner 1 Ltd	Film production	Ordinary	100
Saturn Film Partner 1 Ltd	Film production	Ordinary	100
Trieste Film Partner 1 Ltd	Film production	Ordinary	100
Topaz Film Partner 1 Ltd	Film production	Ordinary	100
Zinc Film Partner 1 Ltd	Film production	Ordinary	100
Mars Film Partner 1 Ltd	Film production	Ordinary	100
Rome Film Partner 1 Ltd	Film production	Ordinary	100
Lodestone Film Partner 1 Ltd	Film production	Ordinary	100
Electra Film Partner 1 Ltd	Film production	Ordinary	100
Taurus Film Partner 1 Ltd	Film production	Ordinary	100
Gemini Film Partner 1 Ltd	Film production	Ordinary	100
Corinth Film Partner 1 Ltd	Film production	Ordinary	100
Vienna Film Partner 1 Ltd	Film production	Ordinary	100
Sirius Film Partner 1 Ltd	Film production	Ordinary	100
Ivory Film Partner 1 Ltd	Film production	Ordinary	100
Quartz Film Partner 1 Ltd	Film production	Ordinary	100
Bronze Film Partner 1 Ltd	Film production	Ordinary	100
Fleet Film Partner 1 Ltd	Film production	Ordinary	100
Carro Film Partner 1 Ltd	Film production	Ordinary	100
Phoenix Film Partners Ltd	Integrated film business	Ordinary	100
Phoenix Nominees Ltd	Integrated film business	Ordinary	100
Opal Film Partner 1 Ltd	Film production	Ordinary	100
Amber Film Partner 1 Ltd	Film production	Ordinary	100

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

**11. Fixed asset investments (continued)**

The Group's holding in Pall Mall Film Partners is made up of the equity held by Ingenious Media Limited and seven of its subsidiary undertakings. The principal place of business is 15 Golden Square, London W1F 9JG.

Whilst 53% of the members' capital in Ingenious Film Partners LLP and 53% of the members' capital in Ingenious Film Partners 2 LLP is held by the Group, 100% of the net assets of both partnerships are consolidated reflecting the terms of the underlying members' agreements.

During the year the Group had interests in the following significant investments:

Undertakings	Activity	Class	%
Amber Film Partners	Film production	Members' Capital	45.1
Big Screen Productions 2 LLP	Integrated film business	Members' Capital	50.0
Big Screen Productions 3 LLP	Integrated film business	Members' Capital	50.0
Big Screen Productions 4 LLP	Integrated film business	Members' Capital	50.0
Big Screen Productions 5 LLP	Integrated film business	Members' Capital	50.0
Big Screen Productions 7 LLP	Film production	Members' Capital	83.8
Big Screen Productions 8 LLP	Film production	Members' Capital	88.2
Big Screen Productions 9 LLP	Film production	Members' Capital	88.0
Big Screen Productions 10 LLP	Film production	Members' Capital	83.8
Big Screen Productions 11 LLP	Film production	Members' Capital	83.8
Big Screen Productions 12 LLP	Film production	Members' Capital	83.8
Big Screen Productions 13 LLP	Film production	Members' Capital	83.8
Ingenious Film Partners 3 LLP	Integrated film business	Members' Capital	50.0
Ingenious Games LLP	Video games development	Members' Capital	50.0
Phoenix Film Partners LLP	Integrated film business	Members' Capital	99.9
Protagonist Pictures Ltd	Film sales and marketing	Ordinary Shares	33.3
Ingenious Media Active Capital Ltd	Growth/development capital fund	Ordinary Shares	25.5

The Group holds more than 20% of the above undertakings. Management do not consider these to be associates as defined in FRS9 *Associates and Joint Ventures* as the Group has no significant influence over the operating and financial policies.

**Amber Film Partners**

Amber Film Partners is a general partnership whose principal place of business is 15 Golden Square, London W1F 9JG. Ingenious Media Investments Limited, Ingenious Ventures Limited and Amber Film Partners 1 Limited all hold interests in Amber Film Partners.

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

**11. Fixed asset investments (continued)**

***Big Screen Productions 2 LLP***

The interest in Big Screen Productions 2 LLP ('the LLP') was purchased during a prior year for £19.4m by Big Screen Productions 2 Limited. Under the terms of the members' agreement for the LLP, Big Screen Productions 2 Limited is entitled to 62.5% of cash drawings from the LLP. Profits and losses of the LLP are allocated in accordance with the members' agreement.

Ingenious Media Investments Limited acts as operator to the LLP.

The LLP is controlled by its executive committee. Two of the five members, P. A. McKenna and D. M. Reid, are also directors of Ingenious Media Holdings plc.

The directors consider the LLP to be an associated undertaking of the Group.

Big Screen Productions 2 LLP's profit for the year ended 31 March 2010 was £140k (year ended 31 March 2009 - profit of £87k) resulting in a net asset position of £16.9m (year ended 31 March 2009 - £19.6m) at that date.

***Big Screen Productions 3 LLP***

The interest in Big Screen Productions 3 LLP ('the LLP') was purchased during a prior year for £6m by Big Screen Productions 3 Limited. Under the terms of the members' agreement for the LLP, Big Screen Productions 3 Limited is entitled to 62.5% of cash drawings from the LLP. Profits and losses of the LLP are allocated in accordance with the members' agreement.

Ingenious Media Investments Limited acts as operator to the LLP.

The LLP is controlled by its executive committee. Two of the five members, P. A. McKenna and D. M. Reid, are also directors of Ingenious Media Holdings plc.

The directors consider the LLP to be an associated undertaking of the Group.

Big Screen Productions 3 LLP's profit for the year ended 30 June 2010 was £37k (year ended 30 June 2009 - loss of £23k) resulting in a net asset position of £5.2m (year ended 30 June 2009 - £6.0m) at that date.

***Big Screen Productions 4 LLP***

The interest in Big Screen Productions 4 LLP ('the LLP') was purchased during the prior year for £7.0m by Big Screen Productions 4 Limited. Under the terms of the members' agreement for the LLP, Big Screen Productions 4 Limited is entitled to 62.5% of cash drawings from the LLP. Profits and losses of the LLP are allocated in accordance with the members' agreement.

Ingenious Media Investments Limited acts as operator to the LLP.

The LLP is controlled by its executive committee. Two of the five members, P. A. McKenna and D. M. Reid, are also directors of Ingenious Media Holdings plc.

The directors consider the LLP to be an associated undertaking of the Group.

Big Screen Productions 4 LLP's loss for the year ended 30 September 2009 was £83k (period ended 30 September 2008 - loss of £7.1m) resulting in a net asset position of £6.9m (period ended 30 September 2008 - £7.0m) at that date.

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

**11 Fixed asset investments (continued)**

***Big Screen Productions 5 LLP***

The interest in Big Screen Productions 5 LLP ('the LLP') was purchased during the prior year for £19.3m by Big Screen Productions 5 Limited. Under the terms of the members' agreement for the LLP, Big Screen Productions 5 Limited is entitled to 62.5% of cash drawings from the LLP. Profits and losses of the LLP are allocated in accordance with the members' agreement.

Ingenious Media Investments Limited acts as operator to the LLP.

The LLP is controlled by its executive committee. Two of the five members, P. A. McKenna and D. M. Reid, are also directors of Ingenious Media Holdings plc.

The directors consider the LLP to be an associated undertaking of the Group.

Big Screen Productions 5 LLP's loss for the year ended 31 December 2009 was £1.0m (period ended 31 December 2008 - loss of £18.7m) resulting in a net asset position of £18.8m (period ended 31 December 2008 - £19.9m) at that date.

***Big Screen Productions 7 LLP***

The interest in Big Screen Productions 7 LLP ('the LLP') was purchased during the prior year for £20.6m by Big Screen Productions 7 Limited. Under the terms of the members' agreement for the LLP, Big Screen Productions 7 Limited is entitled to 100% of cash drawings from the LLP up to an amount cumulatively equal to 7.62% of the aggregate capital contributions made to the partnership; hereafter the entitlement becomes 62.5%. Profits and losses of the LLP are allocated in accordance with the members' agreement.

Ingenious Media Investments Limited acts as operator to the LLP.

The LLP is controlled by its executive committee. Two of the five members, P. A. McKenna and D. M. Reid, are also directors of Ingenious Media Holdings plc.

The directors consider the LLP to be an associated undertaking of the Group.

Big Screen Productions 7 LLP's loss for the year ended 31 March 2010 was £49k (period ended 31 March 2009 - loss of £21.7m) resulting in a net asset position of £2.8m (period ended 31 March 2009 - £2.9m) at that date.

***Big Screen Productions 8 LLP***

The interest in Big Screen Productions 8 LLP ('the LLP') was purchased during the prior year for £19.3m by Big Screen Productions 8 Limited. Under the terms of the members' agreement for the LLP, Big Screen Productions 8 Limited is entitled to 100% of cash drawings from the LLP up to a cumulative amount of £2.6m; hereafter the entitlement becomes 55%. Profits and losses of the LLP are allocated in accordance with the members' agreement.

Ingenious Media Investments Limited acts as operator to the LLP.

The LLP is controlled by its executive committee. Two of the five members, P. A. McKenna and D. M. Reid, are also directors of Ingenious Media Holdings plc.

The directors consider the LLP to be an associated undertaking of the Group.

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

**11. Fixed asset investments (continued)**

*Big Screen Productions 8 LLP (continued)*

Big Screen Productions 8 LLP's loss for the year ended 5 April 2010 was £0.1m (period ended 5 April 2009 - loss of £19.9m) resulting in a net asset position of £2.0m (period ended 5 April 2009 - £2.0m) at that date

*Big Screen Productions 9 LLP*

The interest in Big Screen Productions 9 LLP ('the LLP') was purchased during the prior year for £31.2m and the current year for £5.9m by Big Screen Productions 9 Limited. Under the terms of the members' agreement for the LLP, Big Screen Productions 9 Limited is entitled to 100% of cash drawings from the LLP up to an amount cumulatively equal to 7.62% of the aggregate capital contributions made to the partnership, hereafter the entitlement becomes 62.5%. Profits and losses of the LLP are allocated in accordance with the members' agreement.

Ingenious Media Investments Limited acts as operator to the LLP.

The LLP is controlled by its executive committee. Two of the five members, P. A. McKenna and D. M. Reid, are also directors of Ingenious Media Holdings plc.

The directors consider the LLP to be an associated undertaking of the Group.

Big Screen Productions 9 LLP's loss for the year ended 30 April 2010 was £6.2m (period ended 30 April 2009 - loss of £32.5m) resulting in a net asset position of £3.5m (period ended 30 April 2009 - £3.0m) at that date.

*Big Screen Productions 10 LLP*

The interest in Big Screen Productions 10 LLP ('the LLP') was purchased during the period for £12.7m by Big Screen Productions 10 Limited. Under the terms of the members' agreement for the LLP, Big Screen Productions 10 Limited is entitled to 100% of cash drawings from the LLP up to an amount cumulatively equal to 7.62% of the aggregate capital contributions made to the partnership, hereafter the entitlement becomes 62.5%. Profits and losses of the LLP are allocated in accordance with the members' agreement.

Ingenious Media Investments Limited acts as operator to the LLP.

The LLP is controlled by its executive committee. Two of the five members, P. A. McKenna and D. M. Reid, are also directors of Ingenious Media Holdings plc.

The directors consider the LLP to be an associated undertaking of the Group.

Big Screen Productions 10 LLP's loss for the period ended 30 June 2009 was £13.3m resulting in a net asset position of £1.8m at that date.

*Big Screen Productions 11 LLP*

The interest in Big Screen Productions 11 LLP ('the LLP') was purchased during the period for £3.7m by Big Screen Productions 11 Limited. Under the terms of the members' agreement for the LLP, Big Screen Productions 11 Limited is entitled to 100% of cash drawings from the LLP up to an amount cumulatively equal to 7.61% of the aggregate capital contributions made to the partnership, hereafter the entitlement becomes 62.5%. Profits and losses of the LLP are allocated in accordance with the members' agreement.

Ingenious Media Investments Limited acts as operator to the LLP.

The LLP is controlled by its executive committee. Two of the five members, P. A. McKenna and D. M. Reid, are also directors of Ingenious Media Holdings plc.

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

**11. Fixed asset investments (continued)**

*Big Screen Productions 11 LLP (continued)*

The directors consider the LLP to be an associated undertaking of the Group

Big Screen Productions 11 LLP's loss for the period ended 30 September 2009 was £3.9m resulting in a net asset position of £0.6m at that date

*Big Screen Productions 12 LLP*

The interest in Big Screen Productions 12 LLP ('the LLP') was purchased during the period for £27.5m by Big Screen Productions 12 Limited. Under the terms of the members' agreement for the LLP, Big Screen Productions 12 Limited is entitled to 100% of cash drawings from the LLP up to an amount cumulatively equal to 7.61% of the aggregate capital contributions made to the partnership, hereafter the entitlement becomes 62.5%. Profits and losses of the LLP are allocated in accordance with the members' agreement.

Ingenious Media Investments Limited acts as operator to the LLP

The LLP is controlled by its executive committee. Two of the five members, P. A. McKenna and D. M. Reid, are also directors of Ingenious Media Holdings plc.

The directors consider the LLP to be an associated undertaking of the Group

Big Screen Productions 12 LLP's loss for the period ended 31 December 2009 was £28.9m resulting in a net asset position of £4.0m at that date.

*Big Screen Productions 13 LLP*

The interest in Big Screen Productions 13 LLP ('the LLP') was purchased during the period for £39.6m by Big Screen Productions 13 Limited. Under the terms of the members' agreement for the LLP, Big Screen Productions 13 Limited is entitled to 100% of cash drawings from the LLP up to an amount cumulatively equal to 7.61% of the aggregate capital contributions made to the partnership, hereafter the entitlement becomes 62.5%. Profits and losses of the LLP are allocated in accordance with the members' agreement.

Ingenious Media Investments Limited acts as operator to the LLP

The LLP is controlled by its executive committee. Two of the five members, P. A. McKenna and D. M. Reid, are also directors of Ingenious Media Holdings plc.

The directors consider the LLP to be an associated undertaking of the Group

Big Screen Productions 13 LLP's loss for the period ended 31 March 2010 was £42.2m resulting in a net asset position of £5.0m at that date.

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

**11. Fixed asset investments (continued)**

*Ingenious Film Partners 3 LLP*

The interest in Ingenious Film Partners 3 LLP ('the LLP') was purchased in the period ended 5 April 2007 for £7.2m by Ingenious Film Partners 3 Limited. Under the terms of the members' agreement for the LLP, Ingenious Film Partners 3 Limited is entitled to 50% of cash drawings from the LLP. Profits and losses of the LLP are allocated in accordance with the members' agreement.

Ingenious Media Investments Limited acts as operator to the LLP.

The LLP is controlled by its executive committee. Two of the five members, P. A. McKenna and D. M. Reid, are also directors of Ingenious Media Holdings plc.

The directors consider the LLP to be an associated undertaking of the Group.

Ingenious Film Partners 3 LLP's profit for the year was £0.0m (year ended 5 April 2009 - loss of £0.0m), resulting in a net asset position of £6.3m at that date (year ended 5 April 2009 - £6.3m).

*Ingenious Games LLP*

The interest in Ingenious Games LLP ('the LLP') was purchased for £26.7m in 2006 by Ingenious Games Limited. Under the terms of the members' agreement for the LLP, Ingenious Games Limited is entitled to 50% of cash drawings from the LLP. Profits and losses of the LLP are allocated in accordance with the members' agreement.

Ingenious Media Investments Limited acts as operator to the LLP.

The LLP is controlled by its executive committee. Two of the five members, P. A. McKenna and D. M. Reid, are also directors of Ingenious Media Holdings plc.

The directors consider the LLP to be an associated undertaking of the Group.

Ingenious Games LLP's profit was £2.5m (year ended 5 April 2009 - profit of £0.9m), resulting in a net asset position of £28.2m at that date (year ended 5 April 2009 - £26.1m).

*Phoenix Film Partners LLP*

The interest in Phoenix Film Partners LLP ('the LLP') was purchased during the prior year for £161.3m by Phoenix Film Partners Limited. Under the terms of the members' agreement for the LLP, Phoenix Film Partners Limited is entitled to 90% of cash drawings from the LLP. Profits and losses of the LLP are allocated in accordance with the members' agreement.

Ingenious Media Investments Limited acts as operator to the LLP.

The LLP is controlled by its executive committee. Two of the five members, P. A. McKenna and D. M. Reid, are also directors of Ingenious Media Holdings plc.

The directors consider the LLP to be an associated undertaking of the Group.

Phoenix Film Partners LLP's loss for the year ended 5 April 2010 was £0.04m (year ended 5 April 2009 - loss of £7.7m) resulting in a net asset position of £108.3m at that date (5 April 2009 - £108.3m).



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

**11 Fixed asset investments (continued)**

*Protagonist Pictures Limited*

The shareholding in Protagonist Pictures Limited was acquired in the prior year for £0.3m. The directors consider the company to be an associated undertaking of the Group.

Protagonist Pictures Limited's loss after tax for the year ended 31 March 2010 was £0.2m (year ended 31 March 2009 - loss of £0.4m), the net liabilities at 31 March 2010 were £0.2m (year ended 31 March 2009 - net assets £0.0m).

*Ingenious Media Active Capital Limited*

Ingenious Media Active Capital's loss after tax for the year ended 31 March 2010 was £9.3m (year ended 31 March 2009 - loss of £30.0m), the net assets at 31 March 2010 were £84.3m (year ended 31 March 2009 - £93.5m).

Where appropriate, each of the partnerships above value their interests in film and video game stock on an individual asset basis, resulting in a write down of stock in the first year of trading.

The Group accounts for its interest in the partnerships above based on the value of its investment as adjusted for drawings, its share of trading performance and provision for impairments as appropriate. When stock balances are written down in the partnerships, the Group may not reflect a corresponding reduction in the value of its share of the partnership's assets or reflect the partnership's trading loss in the period. This treatment is considered necessary to present a true and fair view of the position of the Group and of its interests in the partnerships during the year.

**12. Stock**

*Group*

	5 April 2010 £ '000s	5 April 2009 £ '000s
Work in progress - film and video game production and distribution	7,043	31,149
	<b>7,043</b>	<b>31,149</b>

Stock primarily represents film and video games in production and film related distribution activities in the process of completion and is stated at the lower of cost and net realisable value.

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
5 APRIL 2010

13 Debtors

	Group		Company	
	5 April 2010 £ '000s	5 April 2009 £ '000s	5 April 2010 £ '000s	5 April 2009 £ '000s
Falling due within one year				
Trade debtors	62,820	53,976	-	-
Amounts due from undertakings in which the Company has a participating interest	205	1	-	-
Corporation tax	-	506	-	-
Trade loans	5,199	17,441	-	-
Other loans	61,104	122,264	-	-
Other debtors	644,804	215,728	25,149	25,149
Prepayments and accrued income	25,424	9,005	-	-
Net investment in film finance leases	884	806	-	-
	<b>800,440</b>	<b>419,727</b>	<b>25,149</b>	<b>25,149</b>
Falling due after more than one year				
Net investment in film finance leases	10,630	11,514	-	-
Other loans	880,545	926,419	-	-
	<b>891,175</b>	<b>937,933</b>	<b>-</b>	<b>-</b>
	<b>1,691,615</b>	<b>1,357,660</b>	<b>25,149</b>	<b>25,149</b>

Other debtors are primarily represented by amounts owed from third parties in relation to film sale and leaseback transactions

Other loans falling due after more than one year consist of amounts owed from individuals in relation to their investment in various film partnerships

Net investment in film finance leases fall due as follows

	Group		Company	
	5 April 2010 £ '000s	5 April 2009 £ '000s	5 April 2010 £ '000s	5 April 2009 £ '000s
Due within one to two years	973	884	-	-
Due within two to five years	4,822	4,434	-	-
Due thereafter	4,835	6,196	-	-
	<b>10,630</b>	<b>11,514</b>	<b>-</b>	<b>-</b>

Gross rentals and finance charges from net investment in film finance leases were

	Group		Company	
	5 April 2010 £ '000s	5 April 2009 £ '000s	5 April 2010 £ '000s	5 April 2009 £ '000s
Gross rentals	12,922	14,035	-	-
Finance charges	(1,408)	(1,715)	-	-
	<b>11,514</b>	<b>12,320</b>	<b>-</b>	<b>-</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
5 APRIL 2010

14. Creditors: Amounts falling due within one year

	Group		Company	
	5 April 2010	5 April 2009	5 April 2010	5 April 2009
	£ '000s	£ '000s	£ '000s	£ '000s
Bank loans and overdrafts	27,048	1,795	25,000	-
Trade creditors	2,348	14,685	-	-
Amounts owed to group undertakings	-	-	88,991	108,315
Social security and other taxes	2,429	2,517	-	-
Corporation tax	1,154	-	-	-
Other creditors	640,003	326,885	45	409
Accruals and deferred income	10,997	13,421	62	31
Amounts owed to partnerships	181,838	231,061	-	-
Directors' current accounts (note 26)	28,284	53,368	28,284	43,368
	<b>894,101</b>	<b>643,732</b>	<b>142,382</b>	<b>152,123</b>

Other creditors primarily consist of third party liabilities in association with further film sale and leaseback acquisitions

Amounts owed to partnerships have no fixed terms and are not interest bearing

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

	Group		Company	
	5 April 2010	5 April 2009	5 April 2010	5 April 2009
	£ '000s	£ '000s	£ '000s	£ '000s
Bank loans	65,403	73,045	-	25,000
Trade loans	342,312	245,874	-	-
Other creditors	1,239,901	902,918	-	-
	<b>1,647,616</b>	<b>1,221,837</b>	<b>-</b>	<b>25,000</b>

Bank loans fall due for repayment as follows

	Group		Company	
	5 April 2010	5 April 2009	5 April 2010	5 April 2009
	£ '000s	£ '000s	£ '000s	£ '000s
Due within one to two years	3,197	27,832	-	25,000
Due within two to five years	42,339	20,833	-	-
Due thereafter	19,867	24,380	-	-
	<b>65,403</b>	<b>73,045</b>	<b>-</b>	<b>25,000</b>

The bank loans relating to sale and leaseback are secured by the Group's share of lease rental income receivable by partnerships in which the Group has made investments (note 11), and are repayable within 11 years. An average interest rate of 4.81% per annum (year ended 5 April 2009 - 4.81% per annum) is payable on these loans. The loan from Coutts & Company attracts interest at a rate of 1% over the bank base rate and is repayable 37 months after the date of drawdown. This loan is secured against funds held by Auburn Entertainment LLP.

Trade loans represent amounts loaned by film and video games distributors. Repayment is on a limited recourse basis from contracted proportions of the Group's share of drawings from various limited liability partnerships of which certain Group companies are members. Any such drawings are from income generated by the films produced and games developed by each partnership and are therefore dependent on the revenue cycle of those films and games.

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
5 APRIL 2010

16 Provisions for liabilities and charges

*Group*

	Sub-note	5 April 2010 £ '000s	5 April 2009 £ '000s
Deferred taxation	A	11,815	12,639
Other provisions	B	18,301	11,573
		<b>30,116</b>	<b>24,212</b>

A. <i>Group deferred taxation</i>	5 April 2010 £ '000s	5 April 2009 £ '000s
Balance brought forward	12,639	10,964
Deferred tax (credit)/charge in Profit and Loss Account (note 7)	(822)	1,665
Prior year adjustments	(2)	10
<b>Balance carried forward</b>	<b>11,815</b>	<b>12,639</b>

The deferred tax provision arises due to the investment in British film partnerships and will reverse by 2020

B. <i>Group other provisions</i>	2010 £ '000s	2009 £ '000s
Balance brought forward	11,573	6,858
Utilised	(3,905)	(4,303)
Charge to Profit and Loss Account	10,633	9,018
<b>Balance carried forward</b>	<b>18,301</b>	<b>11,573</b>

The provision relates primarily to loans made in the course of the Group's trade

The timing of the settlement of these provisions is uncertain

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
5 APRIL 2010

17. Called up share capital

	Allotted, called up and fully paid			
	5 April 2010		5 April 2009	
	£	No.	£	No.
'A' shares of 10p each	5,000	50,000	5,000	50,000
'A' preferred ordinary shares of £1 each	100,000	100,000	100,000	100,000
'B' preferred ordinary shares of 90p each	44,100	49,000	44,100	49,000
Class 'B' shares of 5p each	450	9,001	450	9,001
Class 'C' shares of 5p each	452	9,035	452	9,035
Class 'D' shares of 5p each	452	9,041	452	9,041
Class 'E' shares of 5p each	459	9,189	459	9,189
Class 'F' shares of 5p each	452	9,044	452	9,044
Class 'G' shares of 5p each	496	9,919	496	9,919
Class 'H' shares of 5p each	470	9,406	470	9,406
Class 'I' shares of 5p each	465	9,290	465	9,290
Class 'J' shares of 5p each	460	9,192	460	9,192
Class 'K' shares of 5p each	455	9,100	455	9,100
Class 'L' shares of 0 125p each	23	18,176	23	18,176
Class 'M' shares of 0 125p each	23	18,176	23	18,176
Class 'N' shares of 0 125p each	23	18,176	23	18,176
Class 'O' shares of 0 125p each	23	18,176	23	18,176
Class 'P' shares of 0 125p each	25	19,806	25	19,806
Class 'Q' shares of 0 125p each	25	19,676	25	19,676
Class 'R' shares of 0 125p each	25	19,676	25	19,676
Class 'S' shares of 0 125p each	24	19,184	24	19,184
Class 'T' shares of 0 125p each	24	18,957	24	18,957
Class 'U' shares of 0 125p each	24	18,956	24	18,956
Class 'V' shares of 0 125p each	23	18,689	23	18,689
Class 'W' shares of 0 125p each	23	18,694	23	18,694
Class 'X' shares of 0 125p each	23	18,642	23	18,642
Class 'Y' shares of 0 125p each	23	18,640	23	18,640
Class 'Z' shares of 0 125p each	136	109,056	136	109,056
	<b>154,178</b>	<b>663,897</b>	<b>154,178</b>	<b>663,897</b>

'A' shares hold all voting rights and entitlements to distributions of retained profit

P A McKenna has an obligation to purchase the 'A' and 'B' preferred ordinary shares by 30 April 2011. The 'A' and 'B' preferred ordinary shares carry no voting rights or entitlement to any dividend participation above the level in the articles of association.

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
5 APRIL 2010

17 Called up share capital (continued)

Shares of 5p each of classes 'B' through 'K' acquired by employees are held in trust by Ingenious Nominees Limited/and or Barry Nominees Limited on behalf of the named employees. Shares of 0.125p each of classes 'L' through 'Z' acquired by employees are held in trust by Ingenious Nominees Limited and/or Barry Nominees Limited on behalf of named employees. The shares do not carry voting rights or entitlements to dividends, but entitle the owner to a share of the proceeds on sale or public listing of the Company. Finance costs relating to the scheme are borne by Ingenious Media Limited. Employees can be made to surrender their shares if they cease to be employees of the Company.

18 Merger reserve

<i>Group</i>	5 April 2010 £ '000s	5 April 2009 £ '000s
Balance brought forward	(149,945)	(149,945)
<b>Balance carried forward</b>	<b>(149,945)</b>	<b>(149,945)</b>

See Group reorganisation section of the accounting policies note for further information.

19. Statement of movements on Profit and Loss Account

<i>Group</i>	5 April 2010 £ '000s	5 April 2009 £ '000s
Balance brought forward	178,546	155,024
Profit for the financial year	25,700	23,931
Dividends	(226)	(409)
<b>Balance carried forward</b>	<b>204,020</b>	<b>178,546</b>

  

<i>Company</i>	5 April 2010 £ '000s	5 April 2009 £ '000s
Balance brought forward	(1,876)	(1,390)
Profit/(loss) for the financial year	34,767	(77)
Dividends	(226)	(409)
<b>Balance carried forward</b>	<b>32,665</b>	<b>(1,876)</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
5 APRIL 2010

20. Reconciliation of movements in shareholders' funds

*Group*

	5 April 2010 £ '000s	5 April 2009 £ '000s
Profit for the financial year	25,700	23,931
Dividends	(226)	(409)
Share capital redeemed	-	(50)
Net addition to shareholders' funds	25,474	23,472
Shareholders' funds brought forward	28,755	5,283
<b>Shareholders' funds earned forward</b>	<b>54,229</b>	<b>28,755</b>

*Company*

	5 April 2010 £ '000s	5 April 2009 £ '000s
Profit/(loss) for the financial year	34,767	(77)
Dividends	(226)	(409)
Share capital redeemed	-	(50)
Net addition/(reduction) to shareholders' funds/(deficit)	34,541	(536)
Shareholders' deficit brought forward	(1,722)	(1,186)
<b>Shareholders' funds/(deficit) earned forward</b>	<b>32,819</b>	<b>(1,722)</b>

21. Minority interest

*Group*

	5 April 2010 £ '000s	5 April 2009 £ '000s
Balance brought forward	10	15
Loss for the financial year	(8)	(5)
Balance carried forward	2	10

The minority interest relates to the 20% of Perspective Associates Limited held outside the Group

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

**22. Financial commitments**

Annual commitments under non-cancellable operating leases are as follows

*Group*

	Land and buildings	
	5 April 2010	5 April 2009
	£ '000s	£ '000s
Operating leases which expire		
After five years	1,460	1,460
	<b>1,460</b>	<b>1,460</b>

**23. Capital commitments**

At 5 April 2010 the Group had capital commitments as follows

Under the partnership agreement with Ingenious Ventures Limited Partnership, Ingenious Media Limited has agreed to provide the partnership with loan facilities representing 10% of the total loan facilities provided by all partners up to a maximum of £2.5m. At the year end Ingenious Media Limited had £47k (year ended 5 April 2009 - £58k) of this total commitment outstanding.

**24. Production sale and leaseback transactions**

The Group enters into arrangements with other producers whereby it acts as a co-producer and incurs film production costs in the UK in return for certain rights.

The Group acquires full title and interest from the co-producer in return for a right to receive a sub-license of this title and interest. The Group subsequently sells its rights to the film and enters into leaseback arrangements with the purchaser and sub-licenses these acquired rights to the co-producer.

The Group's fee for entering into these transactions is credited to the Profit and Loss Account and the balance of the sale proceeds is held on a bank deposit account and accrues interest over the lease period. The lease obligations, together with lease rental charges, equate to the bank deposit funds over the full term of the lease.

The Group has no access to the bank deposit funds and these funds exist solely to meet the lease obligations. The funds do not confer any economic benefits to the Group and therefore do not represent assets of the Group. The lease obligations are guaranteed by the bank and therefore do not represent liabilities of the Group.

As a result of applying FRS 5 *Reporting the Substance of Transactions*, both the bank deposit funds and interest earned, together with the corresponding lease obligations and lease rental charges, are excluded from the financial statements.

In accordance with FRS 5, the acquisition of the film rights from the co-producer and the subsequent sub-license are also not reflected in the financial statements because the series of transactions do not result in the Group having rights to the principal future economic benefits, nor principal risks, associated with the ownership of the film.



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

**25 Related party transactions**

The Company has taken advantage of the exemptions conferred by FRS 8 *Related Party Disclosures* not to disclose intercompany transactions. During the year the Group conducted transactions with related parties as follows:

	Fee income derived from entities listed below		Amounts due from/(to) entities listed below	
	5 April 2010	5 April 2009	5 April 2010	5 April 2009
	£ '000s	£ '000s	£ '000s	£ '000s
Cream Holdings Ltd	120	120	-	20
Ingenious Broadcasting LLP	276	289	70	4
Ingenious Broadcasting 2 LLP	2,863	4,185	795	2,012
Ingenious Broadcasting Plc	4	15	-	10
Ingenious Broadcasting 2 Plc	5	5	-	11
Ingenious Broadcasting 3 Plc	5	5	-	10
Ingenious Broadcasting 4 plc	5	5	-	8
Ingenious Broadcasting 5 plc	5	5	-	7
Ingenious Broadcasting 6 plc	5	5	-	6
Ingenious Broadcasting 7 plc	5	5	-	6
Ingenious Broadcasting 8 plc	5	5	-	7
Ingenious Broadcasting 9 plc	5	5	-	64
Ingenious Broadcasting 10 plc	5	5	-	5
Ingenious Broadcasting 11 plc	5	5	-	5
Ingenious Broadcasting 12 plc	5	5	-	5
Ingenious Broadcasting 13 plc	5	5	-	64
Ingenious Broadcasting 14 plc	5	5	-	5
Ingenious Broadcasting 15 plc	5	7	-	5
Ingenious Broadcasting 16 plc	5	24	-	5
Ingenious Broadcasting 17 plc	5	12	-	5
Ingenious Broadcasting 18 plc	5	23	-	5
Ingenious Broadcasting 19 plc	5	43	-	5
Ingenious Broadcasting 20 plc	5	65	-	5
Ingenious Broadcasting 21 plc	5	64	-	5
Ingenious Broadcasting 22 plc	5	64	-	5
Ingenious Broadcasting 23 plc	5	65	-	5
Ingenious Broadcasting 24 plc	5	64	-	5
Ingenious Broadcasting 25 plc	5	64	-	5
Ingenious Broadcasting 26 plc	5	64	-	5
Ingenious Broadcasting 27 plc	5	64	-	5
Ingenious Broadcasting 28 plc	5	64	-	(33)
Ingenious Broadcasting 29 plc	5	64	-	(33)
Ingenious Broadcasting 30 plc	5	65	-	28
Ingenious Broadcasting 31 plc	5	65	-	28
Ingenious Broadcasting 32 plc	62	-	-	(38)
Ingenious Broadcasting 33 plc	62	-	-	(38)
Ingenious Broadcasting 34 plc	62	-	-	(38)
Ingenious Broadcasting 35 plc	5	64	-	(33)
Ingenious Broadcasting 36 plc	5	64	-	27
Ingenious Broadcasting 37 plc	5	64	-	(33)
Ingenious Broadcasting 38 plc	5	64	-	27
Ingenious Broadcasting 39 plc	5	64	-	27
Ingenious Broadcasting 40 plc	8	62	-	25
Ingenious Broadcasting 41 plc	7	63	-	26
Ingenious Broadcasting 42 plc	8	62	-	25
Ingenious Broadcasting 43 plc	5	65	-	28
Ingenious Broadcasting 44 plc	9	61	-	24
Ingenious Broadcasting 45 plc	9	60	-	23

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
5 APRIL 2010

25. Related party transactions (continued)

	Fee income derived from entities listed below		Amounts due from/(to) entities listed below	
	5 April 2010	5 April 2009	5 April 2010	5 April 2009
	£ '000s	£ '000s	£ '000s	£ '000s
Ingenious Broadcasting 46 plc	19	50	-	13
Ingenious Broadcasting 47 plc	13	56	-	19
Ingenious Broadcasting 48 plc	62	-	-	(38)
Ingenious Broadcasting 49 plc	64	-	-	(38)
Ingenious Broadcasting 50 plc	63	-	-	(38)
Ingenious Broadcasting 51 plc	62	-	-	(38)
Ingenious Broadcasting 52 plc	62	-	-	(38)
Ingenious Broadcasting 53 plc	62	-	-	(38)
Ingenious Broadcasting 54 plc	61	-	-	(38)
Ingenious Broadcasting 55 plc	62	-	-	(38)
Ingenious Broadcasting 56 plc	61	-	-	(38)
Ingenious Broadcasting 57 plc	61	-	-	(38)
Alphabet Productions plc	60	-	60	-
Living Room Productions plc	60	-	60	-
Lyric Productions plc	60	-	60	-
Graphic Productions plc	60	-	60	-
Hazeltine Productions plc	60	-	60	-
Montage Productions plc	60	-	60	-
Lexan Productions plc	59	-	59	-
Candela Productions plc	59	-	59	-
Lorius Productions plc	57	-	57	-
Moviola Productions plc	60	-	60	-
One Reel Productions plc	56	-	56	-
Tinamus Productions plc	45	-	45	-
Ortalis Productions plc	49	-	49	-
Big Screen Productions 2 LLP	-	-	(15,530)	(15,699)
Big Screen Productions 3 LLP	-	326	(4,776)	(3,997)
Big Screen Productions 4 LLP	-	392	(5,879)	(12,357)
Big Screen Productions 5 LLP	-	1,071	(15,500)	(21,718)
Big Screen Productions 7 LLP	34	1,169	16	(19,402)
Big Screen Productions 8 LLP	4	1,042	11	(18,258)
Big Screen Productions 9 LLP	478	1,690	(5,678)	(28,521)
Big Screen Productions 10 LLP	1,275	-	14	-
Big Screen Productions 11 LLP	383	-	14	-
Big Screen Productions 12 LLP	2,825	-	(937)	-
Big Screen Productions 13 LLP	3,903	-	(35,719)	-
Ingenious Games LLP	-	-	(21,922)	(25,717)
Ingenious Entertainment VCT 1 plc	594	369	327	138
Ingenious Entertainment VCT 2 plc	594	369	327	138
Ingenious Live VCT 1 plc	197	197	1	-
Ingenious Live VCT 2 plc	197	197	1	-
Phoenix Film Partners LLP	-	61	(106,746)	(120,655)
Phoenix Loan Services Ltd	-	16,349	-	-
Auburn Entertainment LLP	1,331	719	758	108
Auburn Entertainment 1 plc	-	60	-	-
Auburn Entertainment 2 plc	-	60	-	-
Auburn Entertainment 3 plc	-	16	(50)	(50)
Auburn Entertainment 4 plc	-	60	-	(50)
Auburn Entertainment 5 plc	-	60	-	(50)
Auburn Entertainment 6 plc	-	60	-	(50)

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
5 APRIL 2010

25 Related party transactions (continued)

	Fee income derived from entities listed below		Amounts due from/(to) entities listed below	
	5 April 2010	5 April 2009	5 April 2010	5 April 2009
	£ '000s	£ '000s	£ '000s	£ '000s
Auburn Entertainment 7 plc	-	60	-	(50)
Auburn Entertainment 8 plc	60	-	-	-
Auburn Entertainment 9 plc	60	-	(50)	-
Auburn Entertainment 10 plc	60	-	-	-
Auburn Entertainment 11 plc	60	-	(50)	-
Auburn Entertainment 12 plc	58	-	(50)	-
Auburn Entertainment 13 plc	60	-	(50)	-
Auburn Entertainment 14 plc	56	-	6	-
Auburn Entertainment 15 plc	60	-	10	-
Auburn Entertainment 16 plc	60	-	10	-
Auburn Entertainment 17 plc	60	-	10	-
Auburn Entertainment 18 plc	56	-	6	-
Auburn Entertainment 19 plc	46	-	(4)	-
Auburn Entertainment 20 plc - 50 plc	-	-	(1,550)	-
Ingenious Fuller Partnership LLP	438	-	(6,650)	-
Little Blair Productions LLP	350	-	(5,320)	-
Solar Film Partners LLP	62	-	(875)	-
Starlight Film Partners LLP	359	-	(5,092)	-
Jewel Film Partners	-	-	3,926	3,926
Jade Film Partners	-	-	7,449	7,449
Saturn Film Partners	-	770	10,801	11,571
Opal Film Partners	-	11	-	-
Trieste Film Partners	-	816	17,045	17,861
Topaz Film Partners	-	281	8,928	9,209
Zinc Film Partners	-	641	8,744	9,385
Cairo Film Partners	-	1,305	14,387	15,692
Mars Film Partners	-	572	9,261	9,833
Rome Film Partners	-	654	12,695	13,349
Lodestone Film Partners	-	297	8,825	9,122
Electra Film Partners	2,144	-	17,087	-
Gemini Film Partners	1,541	-	16,823	-
Taurus Film Partners	1,477	-	12,402	-
Corinth Film Partners	1,087	-	13,982	-
Vienna Film Partners	1,247	-	14,658	-
Sirius Film Partners	494	-	7,916	-
Virgo Film Partners	1,964	-	18,383	-
Ivory Film Partners	805	-	6,543	-
Quartz Film Partners	649	-	5,239	-
Cambridge Film Partners	853	-	853	-
Tyne Films LLP	3,392	-	45,728	-
Sapphire Film Partners	-	393	8,308	8,308
Delphi Film Partners	-	385	10,360	10,360
Bronze Film Partners	425	-	7,830	-
Lucky Mill Holdings Limited	-	-	(120,094)	(47,252)
Ingenious Media Active Capital Ltd	1,792	2,080	(73)	(513)
Ingenious Music VCT Plc	-	119	-	-
Ingenious Music VCT 2 Plc	94	517	-	124
Ingenious Film Partners 3 LLP	-	-	(5,936)	(5,938)
Ingenious Ventures LP	-	12	-	-
Stage Three Music Ltd	35	68	10	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
5 APRIL 2010

25 Related party transactions (continued)

Sub-notes	The following relationships exist between the related parties
1	Director
2	Member
3	Shareholder
4	Executive committee member
5	Partner
6	Operator or promoter or manager
7	Non-executive director

	Ingenious Media Investments Ltd	Ingenious Asset Management Ltd	Ingenious Ventures Ltd	G J Arkell	N R Blackley	G R Bowles	J L Boyton	N C Harvey	N A Forster	D Mansfield	H E McKenna	P A McKenna	K J N Week	D M Reid	P M Shawyer
Ingenious Ventures Limited	-	-	-	-	-	-	1	-	1	-	-	1	-	1	-
Ingenious Asset Management Limited	-	-	-	-	-	1	-	-	1	-	-	1	-	1	-
Ingenious Media Investments Ltd	-	-	-	-	-	-	1	-	1	-	-	1	-	1	-
Cream Holdings Limited	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-
Ingenious Broadcasting LLP	6	-	-	-	-	-	4	-	-	-	-	2	-	4	-
Ingenious Broadcasting 2 LLP	6	-	-	-	-	-	4	-	-	-	-	-	-	4	-
Ingenious Broadcasting plc	-	-	6	-	-	-	1,3	-	1	-	-	1,3	-	1	-
Ingenious Broadcasting 2 plc	6	-	-	-	-	-	1	-	1	-	-	1,3	-	1	-
Ingenious Broadcasting 3 plc-27 plc	6	-	-	-	-	-	1	-	1	-	-	1	-	1	-
Ingenious Broadcasting 28 plc-30 plc	3,6	-	-	-	-	-	1	-	1	-	-	1	-	1	-
Ingenious Broadcasting 31 plc	3,6	-	-	-	-	-	1	-	1	-	-	1,3	-	1	-
Ingenious Broadcasting 32 plc-33 plc	6	-	-	-	-	-	1	-	1	-	-	1	-	1	-
Ingenious Broadcasting 34 plc	6	-	-	-	-	-	1	-	1	-	-	1	-	1,3	-
Ingenious Broadcasting 35 plc-37 plc	3,6	-	-	-	-	-	1	-	1	-	-	1	-	1	-
Ingenious Broadcasting 38 plc	3,6	-	-	-	-	-	1	-	1	-	-	1	-	1	3
Ingenious Broadcasting 39 plc-42 plc	3,6	-	-	-	-	-	1	-	1	-	-	1	-	1	-
Ingenious Broadcasting 43 plc	3,6	-	-	-	-	-	1	-	1	-	-	1	-	1,3	-
Ingenious Broadcasting 44 plc-46 plc	3,6	-	-	-	-	-	1	-	1	-	-	1	-	1	-
Ingenious Broadcasting 47 plc	3,6	-	-	-	-	-	1	-	1	-	3	1	-	1	-
Ingenious Broadcasting 48 plc-56 plc	3,6	-	-	-	-	-	1	-	1	-	-	1	-	1	-
Ingenious Broadcasting 57 plc	3,6	-	-	-	-	-	1	-	1	-	-	1	-	1	3
Big Screen Productions 2 LLP	6	-	-	-	-	-	-	-	-	-	-	4	-	4	-
Big Screen Productions 3 LLP	6	-	-	-	-	-	-	-	-	-	-	4	-	4	-
Big Screen Productions 4 LLP	6	-	-	-	-	-	-	-	-	-	-	4	-	4	-
Big Screen Productions 5 LLP	6	-	-	-	-	-	-	-	-	-	-	4	-	4	-
Big Screen Productions 7 LLP	6	-	-	-	-	-	-	-	-	-	-	4	-	4	-
Big Screen Productions 8 LLP	6	-	-	-	-	-	-	-	-	-	-	4	-	4	-
Big Screen Productions 9 LLP	6	-	-	-	-	-	-	-	-	-	-	4	-	4	-
Big Screen Productions 10 LLP	6	-	-	-	-	-	-	-	-	-	-	4	-	4	-
Big Screen Productions 11 LLP	6	-	-	-	-	-	-	-	-	-	-	4	-	4	-
Big Screen Productions 12 LLP	6	-	-	-	-	-	-	-	-	-	-	4	-	4	-
Big Screen Productions 13 LLP	6	-	-	-	-	-	-	-	-	-	-	4	-	4	-
Phoenix Film Partners LLP	6	-	-	2	-	-	2	-	-	-	2	2,4	-	2,4	-
Phoenix Loan Services Ltd	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-
Auburn Entertainment LLP	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Auburn Entertainment 1 plc-2 plc	6	-	-	-	-	-	1	-	1	-	-	1,3	-	1	-
Auburn Entertainment 3 plc	3,6	-	-	-	-	-	1	-	1	-	-	1,3	-	1	-
Auburn Entertainment 4 plc-8 plc, 10 plc	6	-	-	-	-	-	1	-	1	-	-	1,3	-	1	-
Auburn Entertainment 9 plc 11 plc-50 plc	3,6	-	-	-	-	-	1	-	1	-	-	1,3	-	1	-
Saturn Film Partners	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trieste Film Partners	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Topaz Film Partners	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Zinc Film Partners	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cairo Film Partners	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mars Film Partners	6	-	-	-	5	-	-	-	-	-	-	-	-	-	-
Rome Film Partners	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lodestone Film Partners	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electra Film Partners	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
5 APRIL 2010

25. Related party transactions (continued)

Sub-notes The following relationships exist between the related parties

- 1 Director  
2 Member  
3 Shareholder  
4 Executive committee member  
5 Partner  
6 Operator or promoter or manager  
7 Non-executive director

	Ingenious Media Investments Ltd	Ingenious Asset Management Ltd	Ingenious Ventures Ltd	G J Arkell	N R Blackley	G R Bowles	J L Boyton	N C Harvey	N A Forster	D Mansfield	N E McKenna	P A McKenna	K J H Meek	D M Reid	P M Shawyer
Gemini Film Partners	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taurus Film Partners	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corinth Film Partners	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vienna Film Partners	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sirius Film Partners	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Virgo Film Partners	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ivory Film Partners	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Quartz Film Partners	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cambridge Film Partners	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tyne Films LLP	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sapphire Film Partners	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Delphi Film Partners	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lucky Mill Holdings Limited <sup>1</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inside Track Productions LLP	-	6	-	2	2	2	2	2	-	-	-	-	-	-	-
Inside Track 1 LLP	-	6	-	-	2	-	-	-	-	-	-	-	-	-	-
Inside Track 2 LLP	-	6	-	2	2	-	2	-	-	-	-	-	-	-	-
Inside Track 3 LLP	-	6	-	2	-	-	-	-	-	-	-	-	-	-	-
Stage Three Music Limited	-	-	-	-	3 7	-	-	-	-	-	-	7	-	-	-
Ingenious Games LLP	6	-	-	-	-	-	-	-	-	-	-	4	-	4	-
Ingenious Ventures LP	-	-	5	-	-	-	-	-	-	-	-	-	-	-	-
Ingenious Television plc	-	6	-	3	-	-	1 3	-	1	-	3	1 3	-	1	-
Ingenious Music VCT plc	-	6	-	-	-	-	3	-	-	-	3	3 7	-	3	3
Ingenious Music VCT 2 plc	-	6	-	-	-	3	3	-	-	-	3	3 7	-	3	3
Ingenious Live VCT 1 plc	6	6	-	-	3	3	-	-	-	3	3	3 7	-	3	3
Ingenious Live VCT 2 plc	6	6	-	-	3	3	-	-	-	3	3	3 7	-	3	3
Ingenious Entertainment VCT 1 plc	6	6	-	-	-	3	3	-	-	3	3	3 7	-	3	3
Ingenious Entertainment VCT 2 plc	6	6	-	-	-	3	3	-	-	3	3	3 7	-	3	3
Ingenious Media Active Capital Limited	-	6	-	-	3 7	3	-	-	-	3	-	3 7	-	-	3
Perspective Associates Limited	-	-	-	-	-	-	-	-	1	-	-	1	1	-	-
Solar Film Partners LLP <sup>2</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Starlight Film Partners LLP <sup>2</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ingenious Fuller Partnership LLP <sup>2</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Little Blair Productions LLP <sup>2</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Alphabet Productions plc	3 6	-	-	-	-	-	-	-	1	-	-	-	-	1	-
Living Room Productions plc	3 6	-	-	-	-	-	1	-	-	-	-	-	-	1	-
Lyric Productions plc	3 6	-	-	-	-	-	-	-	1	-	-	-	-	1	-
Graphic Productions plc	3 6	-	-	-	-	-	-	-	1	-	-	-	-	1	-
Hazeltine Productions plc	3 6	-	-	-	-	-	-	-	1	-	-	-	-	1	-
Montage Productions plc	3 6	-	-	-	-	-	-	-	1	-	-	-	-	1	-
Lexan Productions plc	3 6	-	-	-	-	-	1	-	1	-	-	-	-	-	-
Candela Productions plc	3 6	-	-	-	-	-	-	-	1	-	-	-	-	1	-
Lorus Productions plc	3 6	-	-	-	-	-	1	-	1	-	-	-	-	-	-
Moviola Productions plc	3 6	-	-	-	-	-	-	-	1	-	-	-	-	1	-
One Reel Productions plc	3 6	-	-	-	-	-	-	-	-	-	-	-	-	1	-
Tinamus Productions plc	3 6	-	-	-	-	-	1	-	1	-	-	-	-	-	-
Ortalis Productions plc	3 6	-	-	-	-	-	-	-	-	-	-	-	-	1	-

<sup>1</sup> Ultimate controlling party is PA McKenna

<sup>2</sup> Corporate/designated member is a Group company

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

**26. Directors' current accounts**

Directors serving during the year had the following loan balances (owing)/outstanding at the year end as stated below

		<b>Amount owed to/(by) the Group</b>	
		<b>5 April 2010</b>	<b>5 April 2009</b>
		<b>£ '000s</b>	<b>£ '000s</b>
<b>Directors' current accounts</b>			
G J Arkell	(with Ingenious Resources Ltd)	77	77
G R Bowles	(with Ingenious Resources Ltd)	61	61
J L Boyton	(with Ingenious Resources Ltd)	61	156
N C Harvey	(with Ingenious Resources Ltd)	156	156
P A McKenna	(with Ingenious Resources Ltd)	606	701
P A McKenna	(to Ingenious Media Ltd)	(28,284)	(43,368)
P A McKenna	(to Ingenious Treasury Services Ltd)	-	(10,000)
D M Reid	(with Ingenious Resources Ltd)	99	195
D Mansfield	(with Ingenious Resources Ltd)	421	421
P M Shawyer	(with Ingenious Resources Ltd)	-	1,011

The loans from Ingenious Resources Limited are provided on the same basis as to other investors

**27. Pension cost**

The Company made £4,480 (year ended 5 April 2009 - £4,480) of pension contributions to a director's personal pension scheme. At the year end there were no accrued or prepaid pension costs (year ended 5 April 2009 - £nil)

**28 Controlling party**

During the year ended 5 April 2010 the ultimate controlling party of the Group and the Company was P A McKenna. The Company is the only parent undertaking for which consolidated financial statements are prepared.