

INGENIOUS MEDIA HOLDINGS PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

5 APRIL 2014

Company Registration Number
6525088 (England and Wales)

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INGENIOUS MEDIA HOLDINGS PLC

The Company	Ingenious Media Holdings plc
Directors	P M Shawyer (Chairman) P A McKenna (Chief Executive) J L Boyton N A Forster D M Reid
Company Secretary	S J Cruickshank
Registered Office	15 Golden Square London W1F 9JG
Registered Number	6525088 (England and Wales)
Auditor	Deloitte LLP Chartered Accountants London EC4A 3TR
Business Address	15 Golden Square London W1F 9JG
Bankers	HSBC Private Bank (UK) Limited 78 St. James's Street London SW1A 1JB Barclays Bank plc 1 Churchill Place London E14 5HP

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STRATEGIC REPORT

5 APRIL 2014

The directors present the Annual Report and Financial Statements of Ingenious Media Holdings plc ("the Company") and the Ingenious Media Holdings plc group of companies ("the Group") for the year ended 5 April 2014.

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, real estate and clean energy sectors. The Group also provides discretionary management services to individuals, trusts, pension funds, charities, partnerships and corporates. The primary subsidiaries and other undertakings included within the Group results are those listed in note 10 to the financial statements.

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 changes to the regulatory environment governing investment business. Damage to 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 its people, and building and maintaining of strong relationships with clients and other key stakeholders.

Dividends

The results for the year are set out on page 7.

During the year the Company paid a dividend of £0.5m (year ended 5 April 2013 - £7.0m) to the 'A' Shareholder. No dividend became payable on the 'B' preferred ordinary shares (year ended 5 April 2013 - £nil). The directors do not propose to pay a final dividend (year ended 5 April 2013 - £nil).

Financial instruments and risk management

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

The Group's principal financial instruments include cash and loans, the main purpose of which are 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 Conduct 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. Where appropriate, the Group negotiates a fixed margin of interest payable on borrowings and on loans.

STRATEGIC REPORT (Continued)
5 APRIL 2014

Financial instruments and risk management (continued)

(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.

Approved and signed on behalf of the Board of Directors by:



N A Forster

Director

30 September 2014

Registered office
15 Golden Square
London

Company Registration Number: 6525088 (England and Wales)

DIRECTORS' REPORT
5 APRIL 2014

Provision of insurance to directors

All directors were covered by Directors' and Officers' liability insurance throughout the year under review and this will continue to remain in force.

Going concern

The directors have a 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.

Directors

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

J L Boyton
N A Forster
P A McKenna
D M Reid
P M Shawyer

Charitable contributions

During the year the Group made charitable donations of £109,895 (year ended 5 April 2013 - £172,464).

Future developments

The Group intends to continue providing investment and advisory services to the media and entertainment, real estate, and clean energy industries.

Creditors payment policy

The Group does not follow a specific code or standard on payment of creditors. The Group 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 2014 were equivalent to 19 (year ended 5 April 2013 - 6) days' purchases.

DIRECTORS' REPORT (Continued)
5 APRIL 2014

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company 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's 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.

Auditor

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 auditor is 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 auditor is 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 section 489 of the Companies Act 2006, a resolution proposing that they be reappointed will be put to the 2014 Annual General Meeting.

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



N A Forster
Director
30 September 2014
Registered office
15 Golden Square
London
W1F 9JG

Company Registration Number: 6525088 (England and Wales)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INGENIOUS MEDIA HOLDINGS PLC

We have audited the financial statements of Ingenious Media Holdings plc for the year ended 5 April 2014 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 27. 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 auditor's 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 auditor

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 and express an opinion on 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 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. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we became aware of any apparent material misstatements or inconsistencies we consider implications for our report.

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 2014 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 AUDITOR'S REPORT TO THE MEMBERS 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 Auditor
London, United Kingdom

30 September 2014

GROUP PROFIT AND LOSS ACCOUNT
YEAR ENDED 5 APRIL 2014

	Notes	Year ended 5 April 2014 £ '000s	Year ended 5 April 2013 £ '000s
Turnover	1	103,226	156,397
Cost of sales		<u>(61,957)</u>	(110,351)
Gross profit		41,269	46,046
Administrative expenses		(38,799)	(32,409)
Other operating income		<u>3,233</u>	1,938
Operating profit	2	5,703	15,575
Share of profit from partnerships	10	283	360
Profit from other interests		1,209	737
Interest receivable and similar income	5	171	141
Interest payable and similar charges	6	<u>(1,371)</u>	(1,572)
Profit on ordinary activities before taxation		5,995	15,241
Taxation	7	<u>(2,830)</u>	(4,443)
Profit on ordinary activities after taxation		<u>3,165</u>	10,798
Minority interest	19	<u>(231)</u>	(168)
Profit for the financial year	17	<u>2,934</u>	10,630

The accounting policies and notes on pages 12 to 35 form an integral part of the financial statements.

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.

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

BALANCE SHEETS
AS AT 5 APRIL 2014

	Notes	Group		Company	
		5 April 2014 £ '000s	5 April 2013 £ '000s	5 April 2014 £ '000s	5 April 2013 £ '000s
Fixed assets					
Intangible fixed assets	8	3,974	252	-	-
Tangible fixed assets	9	1,437	1,968	-	-
Investments	10	1,502,900	1,519,276	150,000	150,000
		1,508,311	1,521,496	150,000	150,000
Current assets					
Debtors:					
Due within one year	11	123,063	135,809	89,978	84,883
Due after one year	11	250,116	264,319	-	-
Current asset investments		2,224	27,224	-	-
Cash at bank and in hand		55,126	54,376	50	52
		430,529	481,728	90,028	84,935
Creditors: amounts falling due within one year	12	(186,207)	(240,849)	(5,621)	(5)
Net current assets		244,322	240,879	84,407	84,930
Total assets less current liabilities		1,752,633	1,762,375	234,407	234,930
Creditors: amounts falling due after more than one year	13	(1,598,157)	(1,615,327)	-	-
Provision for liabilities and charges	14	(29,597)	(24,932)	-	-
Net assets		124,879	122,116	234,407	234,930
Capital and reserves					
Called up share capital	15	154	154	154	154
Merger reserve	16	(149,945)	(149,945)	-	-
Profit and loss account	17	274,063	271,531	234,253	234,776
Shareholders' funds	18	124,272	121,740	234,407	234,930
Minority interest	19	607	376	-	-
Total capital employed		124,879	122,116	234,407	234,930

The accounting policies and notes on pages 12 to 35 form an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 30 September 2014.

They were signed on behalf of the board of directors by:



N A Forster
Director
30 September 2014

Company Registration Number: 6525088 (England and Wales)

GROUP CASH FLOW STATEMENT
YEAR ENDED 5 APRIL 2014

	Notes	Year ended 5 April 2014 £ '000s	Year ended 5 April 2013 £ '000s
Net cash inflow from operating activities	A	8,641	124,809
Returns on investment and servicing of finance	B	3,466	4,131
Taxation		(8,042)	(3,484)
Capital expenditure and financial investments	B	4,918	(199,487)
Acquisitions and disposals	B	(2,663)	(7,456)
Equity dividends paid		(500)	(7,001)
Net cash inflow/(outflow) before management of liquid resources and financing		5,820	(88,488)
Financing	B	(5,070)	92,131
Increase in cash in the year	C	750	3,643

**NOTES TO THE CASH FLOW STATEMENT
YEAR ENDED 5 APRIL 2014**

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

	Year ended 5 April 2014 £ '000s	Year ended 5 April 2013 £ '000s
Operating profit	5,703	15,575
Depreciation charge (see note 9)	800	900
Provision for impairment of fixed asset investments (see note 10)	27,018	10,659
Profit on sale of investments	(50)	(967)
Amortisation of acquired rights (see note 8)	1,590	1,381
Amortisation of acquired clients (see note 8)	235	136
Decrease in stocks	-	6,167
Decrease in debtors	23,912	518,488
Increase in creditors	<u>(50,567)</u>	<u>(427,530)</u>
Net cash inflow from operating activities	8,641	124,809

B) Analysis of cash flows

	Year ended 5 April 2014 £ '000s	Year ended 5 April 2013 £ '000s
Returns on investment and servicing of finance		
Interest received	171	141
Interest paid	(1,371)	(1,572)
Interest element of finance leases	(438)	(637)
Amounts received from partnerships and other investments	<u>5,104</u>	<u>6,199</u>
Net cash inflow	3,466	4,131
Capital expenditure and financial investments		
Payments to acquire tangible and intangible fixed assets	(809)	(393)
Purchase of other investments	(23,654)	(204,094)
Disposal/returns of financial investments	<u>29,381</u>	<u>5,000</u>
Net cash inflow/(outflow)	4,918	(199,487)
Acquisitions and disposals		
Purchase of acquired rights (note 8)	(1,590)	(1,381)
Investment in partnerships and other investments	<u>(1,073)</u>	<u>(6,075)</u>
Net cash outflow	(2,663)	(7,456)

NOTES TO THE CASH FLOW STATEMENT (Continued)
YEAR ENDED 5 APRIL 2014

B) Analysis of cash flows (continued)

	Year ended 5 April 2014 £ '000s	Year ended 5 April 2013 £ '000s
Financing		
Bank loans	(8,152)	(24,549)
Other loans	<u>3,082</u>	<u>116,680</u>
Net cash (outflow)/inflow	<u>(5,070)</u>	<u>92,131</u>

C) Analysis and reconciliation of net debt

	At 6 April 2013 £ '000s	Cash flows £ '000s	Non cash movements £ '000s	At 5 April 2014 £ '000s
Cash at bank, in hand and overdrafts	41,438	750	2,708	44,896
Current asset investment	27,224	(25,000)	-	2,224
Bank and trade loans	<u>(808,228)</u>	<u>8,152</u>	<u>9,018</u>	<u>(791,058)</u>
Net cash flow	<u>(739,566)</u>	<u>(16,098)</u>	<u>11,726</u>	<u>(743,938)</u>

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.

	5 April 2014 £ '000s	5 April 2013 £ '000s
Increase in cash in the year	750	3,643
Cash outflow from decrease in liquid resource	(25,000)	-
Cash inflow arising from bank and trade loans	<u>8,152</u>	<u>24,549</u>
Net cash (outflow)/inflow	<u>(16,098)</u>	<u>28,192</u>
Non cash movements	11,726	(73,932)
Net debt brought forward	<u>(739,566)</u>	<u>(693,826)</u>
Net debt carried forward	<u>(743,938)</u>	<u>(739,566)</u>

Non cash movements predominantly relate to trade loan balances with film and video games distributors (see note 13).

STATEMENT OF ACCOUNTING POLICIES
5 APRIL 2014

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.

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 Strategic Report. The Strategic Report on pages 1 and 2 describes the Group's objectives, policies, its financial risk management objectives, and its exposure to credit risk, liquidity risk and interest rate risk.

Having assessed the risks facing the business as set out in the Strategic Report and in note 7, its financial position and 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 a 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.

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 the financial statements as permitted by section 408 of the Companies Act 2006. The Company's loss for the financial year amounted to £0.02m (Year ended 5 April 2013 - profit of £120.0m).

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 21.

STATEMENT OF ACCOUNTING POLICIES (Continued)
5 APRIL 2014

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 Pound 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 - acquired clients

The acquisition of clients is recorded at cost less accumulated amortisation. Acquisition costs are amortised to the Profit and Loss Account over a 3 year period.

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.

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 5 years. Provision is made for any impairment.

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% of cost

STATEMENT OF ACCOUNTING POLICIES (Continued)
5 APRIL 2014

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 Group Profit and Loss Account.

Other investments and loans

Other investments and loans 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 £2,259k (year ended 5 April 2013 - £33,866k). No tax would be payable or recoverable if the assets were sold at this value (year ended 5 April 2013 - £nil).

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.

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 financial statements but in the LLPs' accounts to reflect the substance of those transactions.

STATEMENT OF ACCOUNTING POLICIES (Continued)
5 APRIL 2014**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.

Share-based payment

The Group has applied the requirements of FRS 20 *Share-based Payment*.

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Merger reserve

The merger reserve was created due to a reorganisation of the Group in a previous period. 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.

NOTES TO THE FINANCIAL STATEMENTS
5 APRIL 2014

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 2014 £ '000s	Year ended 5 April 2013 £ '000s
This is stated after charging/(crediting):		
Amortisation of intangible asset (see note 8)	1,825	1,517
Depreciation of tangible fixed assets (see note 9)	800	900
Provision for impairment of fixed asset investments (see note 10)	27,018	10,659
Operating lease rentals - land and buildings	1,335	1,335
Expense relating to equity-settled share-based payment	98	131
Foreign exchange loss	(5)	(8)
Auditor remuneration		
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	5	5
Fees payable to the Group's auditor for the audit of the Group's subsidiaries pursuant to legislation	280	280
Total audit fees	285	285
Other services		
Tax services - current auditor	37	37
Other services - current auditor	286	4
Total non-audit fees	323	41

NOTES TO THE FINANCIAL STATEMENTS (Continued)
5 APRIL 2014

3. Staff costs

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

	Year ended 5 April 2014 £ '000s	Year ended 5 April 2013 £ '000s
Wages and salaries	20,410	19,064
Social security costs	2,817	2,631
Other pension costs	4	4
	<u>23,231</u>	<u>21,699</u>

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

	Year ended 5 April 2014	Year ended 5 April 2013
Office and administration	205	190

4. Directors' remuneration

	Year ended 5 April 2014 £ '000s	Year ended 5 April 2013 £ '000s
Emoluments for qualifying services	1,724	1,800
Company pension contributions to money purchase scheme	4	4
	<u>1,728</u>	<u>1,804</u>

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 2014 £ '000s	Year ended 5 April 2013 £ '000s
Emoluments for qualifying services	472	450

See also directors' current accounts in note 23.

5. Interest receivable and similar income

	Year ended 5 April 2014 £ '000s	Year ended 5 April 2013 £ '000s
Bank interest	171	141

NOTES TO THE FINANCIAL STATEMENTS (Continued)
5 APRIL 2014

6. Interest payable and similar charges

	Year ended 5 April 2014 £ '000s	Year ended 5 April 2013 £ '000s
Interest payable on bank overdrafts and bank loans	1,371	1,572

7. Taxation

The tax charge on the profit on ordinary activities for the year was as follows:

	Year ended 5 April 2014 £ '000s	Year ended 5 April 2013 £ '000s
UK Corporation tax at 23% for the period from 6 April 2013 to 31 March 2014 and 21% for the period from 1 April 2014 to 5 April 2014 (year ended 5 April 2013: 23.99%) based on the adjusted results for the year	4,534	5,433
Adjustments in respect of prior years	(240)	1,376
Current tax charge	4,294	6,809
Deferred tax credit for the year (note 14)	(863)	(1,083)
Deferred tax adjustment in respect of prior years (note 14)	(601)	(1,283)
	2,830	4,443

NOTES TO THE FINANCIAL STATEMENTS (Continued)
5 APRIL 2014

7. Taxation (continued)

Factors affecting the tax charge for the year:

	Year ended 5 April 2014 £ '000s	Year ended 5 April 2013 £ '000s
Profit on ordinary activities before taxation	5,995	15,241
Profit on ordinary activities for the period multiplied by standard rate of corporation tax in the UK of 23% for the period from 6 April 2013 to 31 March 2014 and 21% for the period from 1 April 2014 to 5 April 2014 (year ended 5 April 2013: 23.99%)	1,377	3,656
Effects of:		
Adjustments resulting from investment in film partnerships	958	963
Adjustments in respect of investment in associated LLPs	2,648	1,833
UK dividend income not taxable	(125)	(48)
Chargeable gains	736	74
Utilisation of tax losses brought forward	(191)	(411)
Expenses not deductible for tax purposes	988	297
Income taxed at lower rates overseas	(108)	(66)
Timing differences in relation to capital allowances	12	95
Other short-term timing differences	(457)	(2)
Income of consolidated partnerships taxable on non-Ingenuous members	(511)	(948)
Share of profit from associated company	(5)	(10)
Adjustments to tax in respect of prior years	(240)	1,376
Impairment of investments	365	-
Profit on disposal	(1,142)	-
Benefit of losses carried back	(11)	-
Current tax charge	4,294	6,809

A potential deferred tax asset of £4.3m (year ended 5 April 2013: £5.1m) in respect of tax losses carried forward has not been recognised due to uncertainty over the availability of taxable profits in future accounting periods.

On 17 July 2014 the Finance Bill 2014 received the Royal Assent. Under Chapter 3 of Part 4 of the Act, HMRC is empowered to issue accelerated payment notices requiring taxpayers to make immediate payments in some circumstances where tax is in dispute, in advance of any resolution of that dispute. We anticipate that the outcome of the Tax Tribunal should be known in 2015. In the meantime, certain companies within the Group might receive accelerated payment notices. To date, no such notices have been received but the directors consider that it is possible that in the future, certain companies within the Group may receive accelerated payment notices in respect of some or all of the tax years not yet agreed with HMRC.

The exact amount of any accelerated payment cannot be known until received (if indeed any are received at all). However, the directors have estimated the possible financial effect of this issue and do not consider that it will have a significant impact on the future prospects of the Group.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
5 APRIL 2014

8. Intangible fixed assets

<i>Group</i>	Goodwill	Acquired rights	Acquired clients	Total
	£ '000s	£ '000s	£ '000s	£ '000s
Cost				
At 6 April 2013	-	39,041	407	39,448
Additions	3,411	1,590	546	5,547
At 5 April 2014	3,411	40,631	953	44,995
Amortisation				
At 6 April 2013	-	39,041	155	39,196
Charge for the year	-	1,590	235	1,825
At 5 April 2014	-	40,631	390	41,021
Net book values				
At 5 April 2014	3,411	-	563	3,974
At 5 April 2013	-	-	252	252

Acquired rights

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. On 22 November 2010, IFP1 Corporate Partner Limited became entitled to a portion of these film receipts, as detailed in the members' agreement.

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. On 22 November 2010, IFP2 Corporate Partner Limited became entitled to a portion of these film receipts, as detailed in the members' agreement.

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.

The above amortisation charge of £1.6m (year ended 5 April 2013 - £1.4m) is included within administrative expenses in the Group Profit and Loss Account.

Acquired clients

On 30 December 2011 Ingenious Asset Management Limited acquired the investment management business of Turpin Barker Armstrong.

The above amortisation charge of £235k (year ended 5 April 2013 - £136k) is included within administrative expenses in the Group Profit and Loss Account.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
5 APRIL 2014

8. Intangible fixed assets (continued)

Goodwill

On 31 March 2014, Ingenious Asset Management Holdings Limited acquired Thurleigh Investment Managers LLP. The fair value of the total consideration was £4,023k.

The table below sets out the book values and fair values of the identifiable assets.

	Book value £ '000	Fair value to Group £' 000
Current assets		
Tangible fixed assets	6	6
Debtors	906	906
Cash	434	434
	<hr/> 1,346	<hr/> 1,346
Creditors: amounts falling due within one year		
Trade creditors	(447)	(447)
Accruals and deferred income	(264)	(264)
Other creditors	(23)	(23)
	<hr/> (734)	<hr/> (734)
Net assets	612	612
Goodwill		3,411
		<hr/>
Total consideration		4,023

NOTES TO THE FINANCIAL STATEMENTS (Continued)
5 APRIL 2014

9. Tangible fixed assets

<i>Group</i>	Short leasehold land and buildings £ '000s	Fixtures, fittings and equipment £ '000s	Total £ '000s
Cost			
At 6 April 2013	2,901	3,934	6,835
Additions	-	263	263
Acquisition of subsidiary	-	222	222
At 5 April 2014	2,901	4,419	7,320
Depreciation			
At 6 April 2013	2,038	2,829	4,867
Acquisition of subsidiary	-	216	216
Charge for the year	332	468	800
At 5 April 2014	2,370	3,513	5,883
Net book values			
At 5 April 2014	531	906	1,437
At 5 April 2013	863	1,105	1,968

10. Fixed asset investments

<i>Group</i>	Interest in partnerships £ '000s	Other investments £ '000s	Total £ '000s
Cost/share of net assets			
At 6 April 2013	920,188	599,088	1,519,276
Additions			
Capital invested	16,571	2,954	19,525
Drawings	(2,540)	(1,582)	(4,122)
Share of profits	283	362	645
Provision for impairment	(26,129)	(889)	(27,018)
Disposals/repayment	-	(5,406)	(5,406)
At 5 April 2014	908,373	594,527	1,502,900

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
5 APRIL 2014

10. Fixed asset investments (continued)

Company

	Total £ '000s
Cost	
At 6 April 2013	150,000
At 5 April 2014	150,000

See Statement of 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 (FCA registered)	Ordinary	100
Ingenious Corporate Finance Ltd	Corporate finance (FCA 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 industries	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
IFP1 Corporate Partner Ltd	Integrated film business	Ordinary	100
IFP2 Corporate Partner Ltd	Integrated film business	Ordinary	100
Ingenious Film Partners 3 Ltd	Integrated film business	Ordinary	100
Ingenious Film Partners LLP	Integrated film business	Members' Capital	74
Ingenious Film Partners 2 LLP	Integrated film business	Members' Capital	75
Big Screen Productions 2 Ltd-5 Ltd	Integrated film business	Ordinary	100
Big Screen Productions 7 Ltd-13 Ltd	Film production	Ordinary	100
Big Screen Productions 14 IM Ltd-24 IM Ltd	Film production	Ordinary	100
Pangorda Investor Limited (previously Big Screen Productions 25 IM Ltd)	Film production	Ordinary	100
Daylily Investments Limited	Film production	Ordinary	100
Capitan Films 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 Holdings Ltd	Holding company for the Group's asset management business	Ordinary	75
Ingenious Capital Management Ltd	Discretionary investment management (FCA registered)	Ordinary	100
Ingenious Asset Management Ltd	Discretionary investment management (FCA registered)	Ordinary	75
Ingenious Asset Management International Ltd	Discretionary investment management (Guernsey registered)	Ordinary	75

NOTES TO THE FINANCIAL STATEMENTS (Continued)
5 APRIL 2014

10. Fixed asset investments (continued)

Subsidiary Undertakings	Activity	Class	%
Ingenious Clean Energy Services Ltd	Services to the clean energy industry	Ordinary	100
Inkie Productions IM Limited	Film production	Ordinary	100
MC Pictures IM Ltd	Film production	Ordinary	100
NBBP (IM) Ltd	Film production	Ordinary	100
Dayday Films (CM) Ltd	Film production	Ordinary	100
Pall Mall Film Partners	Film partnership (unincorporated)	Members' Capital	100
Ingenious Media Consulting Ltd	Management consultancy	Ordinary	100
Ingenious Holdings Ltd	Holding company for various investments	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
Chrome Film Partner 1 Ltd	Film production	Ordinary	100
Milan Film Partner 1 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 Partners 1 Ltd	Film production	Ordinary	100
Cairo Film Partner 1 Ltd	Film production	Ordinary	100
Virgo Film Partner 1 Ltd	Film production	Ordinary	100
Verona Film Partner 1 Ltd	Film production	Ordinary	100
Copper Film Partner 1 Ltd	Film production	Ordinary	100
Gemstone Film Partner 1 Ltd	Film production	Ordinary	100
Jasper Film Partner 1 Ltd	Film production	Ordinary	100
Neptune Film Partner 1 Ltd	Film production	Ordinary	100
Turin Film Partner 1 Ltd	Film production	Ordinary	100
Malachite Film Partner 1 Ltd	Film production	Ordinary	100
Petra Film Partner 1 Ltd	Film production	Ordinary	100

NOTES TO THE FINANCIAL STATEMENTS (Continued)
5 APRIL 2014

10. Fixed asset investments (continued)

Subsidiary Undertakings	Activity	Class	%
Phoenix Film Partners Ltd	Integrated film business	Ordinary	100
Phoenix Nominees Ltd	Integrated film business	Ordinary	100
Opal Film Partners 1 Ltd	Film production	Ordinary	100
Amber Film Partner 1 Ltd	Film production	Ordinary	100

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 74% of the members' capital in Ingenious Film Partners LLP and 75% 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:

Name	Latest financial year end	Net Assets as at latest financial year end	Profit/(loss) for latest financial year end	Class	%
Amber Film Partners	05-Apr-13	£19.5m	£0.8m	Members' Capital	45.1
Big Screen Productions 2 LLP	31-Mar-14	£16.4m	£0.3m	Members' Capital	50
Big Screen Productions 3 LLP	30-Jun-13	£0.1m	£0.1m	Members' Capital	76.2
Big Screen Productions 4 LLP	30-Sep-13	£6.3m	£0.02m	Members' Capital	50
Big Screen Productions 5 LLP	31-Dec-13	£17.0m	£0.0m	Members' Capital	50
Big Screen Productions 7 LLP	31-Mar-14	£0.7m	(£.3m)	Members' Capital	83.8
Big Screen Productions 8 LLP	05-Apr-14	£0.6m	(£.2m)	Members' Capital	88.2
Big Screen Productions 9 LLP	30-Apr-14	£4.8m	(£.7m)	Members' Capital	88
Big Screen Productions 10 LLP	30-Jun-13	£0.5m	£0.06m	Members' Capital	83.8
Big Screen Productions 11 LLP	30-Sep-13	£0.1m	(£0.004m)	Members' Capital	83.8
Big Screen Productions 12 LLP	31-Dec-13	£0.5m	(£0.07m)	Members' Capital	83.8
Big Screen Productions 13 LLP	31-Mar-14	£0.2m	£3.1m	Members' Capital	83.8
Big Screen Productions 14 LLP	30-Jun-13	£0.4m	(£0.2m)	Members' Capital	83.8
Big Screen Productions 15 LLP	30-Sep-13	£0.3m	(£.1m)	Members' Capital	83.8
Big Screen Productions 16 LLP	31-Dec-13	£1.0m	£1.8m	Members' Capital	83.8
Big Screen Productions 17 LLP	31-Mar-14	£2.5m	£5.2m	Members' Capital	83.8
Big Screen Productions 18 LLP	30-Jun-13	£4.8m	£0.0m	Members' Capital	83.8
Big Screen Productions 19 LLP	30-Sep-13	£5.5m	(£.1m)	Members' Capital	83.8
Big Screen Productions 20 LLP	31-Dec-13	£5.9m	(£.3m)	Members' Capital	83.8
Big Screen Productions 21 LLP	31-Mar-14	£11.6m	(£1.1m)	Members' Capital	83.8
Big Screen Productions 22 LLP	30-Jun-13	£2.8m	£0.02m	Members' Capital	83.8
Big Screen Productions 23 LLP	30-Sep-13	£1.6m	£0.0m	Members' Capital	83.8
Big Screen Productions 24 LLP	31-Dec-13	£4.2m	(£.1m)	Members' Capital	83.8
Pangorda Productions LLP	31-Mar-14	£3.0m	£0.4m	Members' Capital	84.9
Temin Productions LLP	30-Jun-13	£0.5m	(£2.7m)	Members' Capital	85
Westerdale Productions LLP	30-Sep-13	£2.3m	(£13.4m)	Members' Capital	88.1
Attercop Productions LLP	05-Apr-13	£0.4m	42k	Members' Capital	72
MC Pictures LLP	31-Mar-13	£0.3m	33k	Members' Capital	72
The Blair Partnership	31-Mar-13	£4.4m	(£2.4m)	Members' Capital	72
Dayday Films LLP	05-Apr-13	£10.3m	(£6.3m)	Members' Capital	66
Solar Film Partners LLP	05-Apr-13	£0.1m	(£0.1m)	Members' Capital	72
Little Blair Productions LLP	31-Jan-13	£0.0m	£1.6m	Members' Capital	72
Starlight Film Partners LLP	05-Apr-13	£0.1m	(£0.4m)	Members' Capital	72
Ingenious Fuller Partnership LLP	05-Apr-13	£1.6m	£0.9m	Members' Capital	72
Ingenious Film Partners 3 LLP	05-Apr-13	£1.6m	£0.0m	Members' Capital	72

NOTES TO THE FINANCIAL STATEMENTS (Continued)
5 APRIL 2014

10. Fixed asset investments (continued)

Name	Latest financial year end	Net Assets as at latest financial year end	Profit/(loss) for latest financial year end	Class	%
Ingenious Games LLP	28-Feb-13	£8.7m	£0.6m	Members' Capital	72
Phoenix Film Partners LLP	05-Apr-13	£107.5m	£0.1m	Members' Capital	99.9

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
5 APRIL 2014

11. Debtors

	Group		Company	
	5 April 2014 £ '000s	5 April 2013 £ '000s	5 April 2014 £ '000s	5 April 2013 £ '000s
Falling due within one year:				
Trade debtors	8,980	15,390	-	-
Amounts owed from group undertakings	-	-	89,816	84,735
Social security and other taxes	449	-	-	-
Trade loans	1,472	1,472	-	-
Other loans	78,126	67,105	-	-
Other debtors	9,655	29,689	149	148
Prepayments and accrued income	23,127	21,000	13	-
Net investment in film finance leases	1,254	1,153	-	-
	123,063	135,809	89,978	84,883
Falling due after more than one year:				
Net investment in film finance leases	6,196	7,450	-	-
Other loans	243,920	256,869	-	-
	250,116	264,319	-	-
Total	373,179	400,128	89,978	84,883

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 2014 £ '000s	5 April 2013 £ '000s	5 April 2014 £ '000s	5 April 2013 £ '000s
Due within one to two years	1,361	1,254	-	-
Due within two to five years	4,835	4,439	-	-
Due thereafter	-	1,757	-	-
	6,196	7,450	-	-

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

	Group		Company	
	5 April 2014 £ '000s	5 April 2013 £ '000s	5 April 2014 £ '000s	5 April 2013 £ '000s
Gross rentals	7,888	9,240	-	-
Finance charges	(438)	(637)	-	-
	7,450	8,603	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)
5 APRIL 2014

12. Creditors: amounts falling due within one year

	Group		Company	
	5 April 2014 £ '000s	5 April 2013 £ '000s	5 April 2014 £ '000s	5 April 2013 £ '000s
Bank loans and overdrafts	10,230	12,938	5,616	-
Trade creditors	3,182	1,819	-	-
Social security and other taxes	-	359	-	-
Corporation tax	3,274	7,021	-	-
Other creditors	16,244	32,383	-	-
Accruals and deferred income	22,065	21,438	5	5
Amounts owed to partnerships	130,934	164,719	-	-
Directors' current accounts (note 23)	278	172	-	-
	186,207	240,849	5,621	5

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.

13. Creditors: amounts falling due after more than one year

	Group		Company	
	5 April 2014 £ '000s	5 April 2013 £ '000s	5 April 2014 £ '000s	5 April 2013 £ '000s
Bank loans	18,484	23,928	-	-
Trade loans	772,574	784,300	-	-
Other creditors	807,099	807,099	-	-
	1,598,157	1,615,327	-	-

Bank loans fall due for repayment as follows:

	Group		Company	
	5 April 2014 £ '000s	5 April 2013 £ '000s	5 April 2014 £ '000s	5 April 2013 £ '000s
Due within one to two years	5,157	4,556	-	-
Due within two to five years	11,634	14,337	-	-
Due thereafter	1,693	5,035	-	-
	18,484	23,928	-	-

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 10), and are repayable within seven years. An average interest rate of 4.81% per annum (year ended 5 April 2013 - 4.81% per annum) is payable on these loans. Bank loans including a 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 2014

14. Provisions for liabilities and charges

Group

	Sub-note	5 April 2014 £ '000s	5 April 2013 £ '000s
Deferred taxation	A	2,918	4,382
Other provisions	B	26,679	20,550
		29,597	24,932

A. <i>Group deferred taxation</i>	5 April 2014 £ '000s	5 April 2013 £ '000s
Balance brought forward	4,382	6,748
Deferred tax credit in Profit and Loss Account (note 7)	(1,464)	(2,366)
Balance carried forward	2,918	4,382

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

B. <i>Group other provisions</i>	5 April 2014 £ '000s	5 April 2013 £ '000s
Balance brought forward	20,550	24,514
Utilised	-	(1,785)
Charge to Profit and Loss Account	6,129	(2,179)
Balance carried forward	26,679	20,550

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 2014

15. Called up share capital

	Allotted, called up and fully paid			
	5 April 2014		5 April 2013	
	£	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
	154,178	663,897	154,178	663,897

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

P A McKenna purchased the 'A' and 'B' preferred ordinary shares on 30 April 2011. The 'A' and 'B' preferred ordinary shares carried 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 2014

15. 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.

16. Merger reserve

<i>Group</i>	5 April 2014 £ '000s	5 April 2013 £ '000s
Balance brought forward	<u>(149,945)</u>	(149,945)
Balance carried forward	(149,945)	(149,945)

See Merger Reserve section of the Statement of Accounting Policies for further information.

17. Statement of movements on Profit and Loss Account

<i>Group</i>	5 April 2014 £ '000s	5 April 2013 £ '000s
Balance brought forward	271,531	267,771
Profit for the financial year	2,934	10,630
Credit to equity for share-based payments	98	131
Dividends	<u>(500)</u>	(7,001)
Balance carried forward	274,063	271,531
 <i>Company</i>	 5 April 2014 £ '000s	 5 April 2013 £ '000s
Balance brought forward	234,776	121,781
(Loss)/profit for the financial year	(23)	119,995
Dividends	<u>(500)</u>	(7,000)
Balance carried forward	234,253	234,776

NOTES TO THE FINANCIAL STATEMENTS (Continued)
5 APRIL 2014

18. Reconciliation of movements in shareholders' funds

<i>Group</i>	5 April 2014 £ '000s	5 April 2013 £ '000s
Profit for the financial year	2,934	10,630
Dividends	(500)	(7,001)
Credit to equity for share-based payments	98	131
Net addition to shareholders' funds	2,532	3,760
Shareholders' funds brought forward	121,740	117,980
Shareholders' funds carried forward	124,272	121,740
<i>Company</i>	5 April 2014 £ '000s	5 April 2013 £ '000s
(Loss)/profit for the financial year	(23)	119,995
Dividends	(500)	(7,000)
Net (reduction)/addition to shareholders' funds	(523)	112,995
Shareholders' funds brought forward	234,930	121,935
Shareholders' funds carried forward	234,407	234,930

19. Minority interest

<i>Group</i>	5 April 2014 £ '000s	5 April 2013 £ '000s
Balance brought forward	376	208
Profit for the financial year	231	168
Balance carried forward	607	376

During a prior year, the Group undertook a reorganisation of its Asset Management business which involved creating a new holding company called Ingenious Asset Management Holdings Limited ("IAMHL"). IAMHL acquired the entire issued share capital of Ingenious Asset Management Limited, Ingenious Asset Management International Limited and Ingenious Global IDF G.P. Ltd. Immediately following the internal reorganisation, IAMHL's share capital consisted of 7,500 1p 'A' Ordinary Shares all held by Ingenious Media Limited and 2,500 'B' Ordinary Shares of 1p each issued to certain members of the Asset Management management team.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
5 APRIL 2014

20. Financial commitments

Annual commitments under non-cancellable operating leases are as follows:

Group

	Land and buildings	
	5 April 2014 £ '000s	5 April 2013 £ '000s
Operating leases which expire:		
Within five years	<u>1,497</u>	<u>1,497</u>
	<u>1,497</u>	<u>1,497</u>

21. 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 2014

22. Related party transactions

The Company has taken advantage of the exemptions conferred by FRS 8 *Related Party Disclosures* not to disclose intercompany transactions between 100% subsidiaries. During the year the Group conducted significant transactions with related parties as follows:

	Fee income derived from entities listed below		Amounts due from/(to) entities listed below	
	5 April 2014 £ '000s	5 April 2013 £ '000s	5 April 2014 £ '000s	5 April 2013 £ '000s
Aries Film Partners	-	-	538	-
Big Screen Productions 2 LLP	16	15	(2,158)	(2,152)
Big Screen Productions 4 LLP	3	4	(571)	(569)
Big Screen Productions 5 LLP	7	12	(1,512)	(1,505)
Big Screen Productions 21 LLP	-	-	756	-
Big Screen Productions 24 LLP	73	2,603	942	299
Cherwell Films LLP	-	-	661	-
Dayday Films LLP	122	599	944	6,771
Fallowhawk Productions LLP	1,920	-	1,920	-
Finsen Productions LLP	1,300	-	1,300	-
Impresario Festivals plc	563	285	(50)	-
Ingenious Clean Energy (Solar) LLP	97	-	31,293	-
Ingenious Film Partners 3 LLP	-	-	(1,555)	(1,555)
Ingenious Games LLP	57	522	(7,212)	(7,269)
Ingenious Project Finance Limited	1,286	1,023	796	1,023
Ingenious Renewable Enterprises Limited	107	-	3,900	-
Kenrick Sustainable Estate LLP	41	-	2,724	-
Lucky Mill Holdings Limited	-	-	(755,522)	(755,522)
Pangorda Productions LLP	69	2,872	1,189	1,758
Phoenix Film Partners LLP	16	23	(106,680)	(106,686)

Sub-notes The following significant relationships existed between the related parties during all or part of the year:

- 1 Director
- 2 Shareholder
- 3 Operator/promoter/administrator/advisor/manager/agent
- 4 Member
- 5 Executive Committee member
- 6 Director of designated member
- 7 Director of corporate partner

	Ingenious Films Ltd	Ingenious Media Investments Ltd	Ingenious Capital Management Ltd	J L Boyton	N A Forster	M E McKenna*	P A McKenna	D M Reid	P M Shawyer
Aries Film Partners	-	3	-	6,7	6,7	-	-	6,7	-
Big Screen Productions 2 LLP	-	3	-	6,7	6,7	-	5	5,6,7	-
Big Screen Productions 4 LLP	-	3	-	6,7	6,7	-	5	5,6,7	-
Big Screen Productions 5 LLP	-	3	-	6,7	6,7	-	5	5,6,7	-
Big Screen Productions 21 LLP	-	3	-	6,7	6,7	-	5	5,6,7	-
Big Screen Productions 24 LLP	-	3	-	6,7	6,7	-	5	5,6,7	-
Cherwell Films LLP	-	3	-	6,7	6,7	-	-	6,7	-
Dayday Films LLP	3	-	-	7	7	-	-	7	-
Fallowhawk Productions LLP	-	3	-	6,7	6,7	-	5	5,6,7	-
Finsen Productions LLP	-	3	-	6,7	6,7	-	5	5,6,7	-
Impresario Festivals plc	-	-	3	-	-	-	-	-	-
Ingenious Clean Energy (Solar) LLP	-	-	-	6	6	-	-	6	-
Ingenious Film Partners 3 LLP	-	3	-	6,7	6,7	-	5	5,6,7	-
Ingenious Games LLP	-	3	-	5,6,7	-	-	5	5,6,7	-
Ingenious Project Finance Limited	-	-	3	1	1	-	-	-	-
Ingenious Renewable Enterprises Limited	-	-	3	-	-	-	-	-	-
Kenrick Sustainable Estate LLP	-	-	-	6	6	-	-	6	-
Lucky Mill Holdings Limited	-	-	-	-	-	-	2	-	-
Pangorda Productions LLP	-	3	-	6,7	6,7	-	5	5,6,7	-
Phoenix Film Partners LLP	-	3	-	4,6,7	-	4	4,5	4,5,6,7	4

* M E McKenna is a connected person

NOTES TO THE FINANCIAL STATEMENTS (Continued)
5 APRIL 2014

23. Directors' current accounts

Directors serving during the year had the following loan balances outstanding at the year end as stated below:

	Amount owed to the Group	
	5 April 2014 £ '000s	5 April 2013 £ '000s
Directors' current accounts		
P A McKenna	278	172

24. Share-based payments

Under the equity-settled share-based payment arrangement, Ingenious Asset Management Holdings Limited ("IAMHL"), a subsidiary of the Company, invited certain employees of the Company to subscribe for Ordinary 'B' Shares in IAMHL. A charge is recognised by the Company in return for their services provided in respect of these awards. The vesting period is based on management's best estimate, which was three years at the date of grant.

Details of the share awards granted during the year are as follows:

	Number of shares	
	5 April 2014	5 April 2013
Balance brought forward	2,500	2,500
Balance carried forward	2,500	2,500

The shares were issued at £0.01 per share. The 2014 fair value charge through the Profit and Loss Account attributable to the share awards granted during the year is £98,000 (year ended 5 April 2013 - £131,000).

25. Pension cost

During the year the Group made £4,480 (year ended 5 April 2013 - £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 2013 - £nil).

26. Controlling party

During the year ended 5 April 2014 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.

27. Post balance sheet event

The Group is currently in the process of undertaking a reorganisation, resulting in the ordinary shares of Ingenious Capital Management Limited and the A ordinary shares of Ingenious Asset Management Limited being distributed by way of a dividend in specie to Ingenious Media Holdings plc. The ordinary shares of Ingenious Capital Management Limited are being transferred to a newly formed holding company, Ingenious Capital Management Holdings Limited and the A ordinary shares of Ingenious Asset Management Limited are being transferred to a newly formed holding company, Ingenious Asset Management Group Limited. Both newly formed holding companies were incorporated on 31st March 2014 and are registered in England and Wales. The ultimate controlling shareholder of both newly formed holding companies is P A McKenna.