

BIG SCREEN PRODUCTIONS 10 LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

5 APRIL 2011

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COMPANIES HOUSE

Company Registration Number
06728877 (England and Wales)

BIG SCREEN PRODUCTIONS 10 LIMITED

Directors	J L Boyton M T Bugden J H M Clayton N A Forster D M Reid S J Speight
Company Secretary	S J Cruickshank
Registered Office	15 Golden Square London W1F 9JG
Registered Number	06728877 (England and Wales)
Auditor	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

BIG SCREEN PRODUCTIONS 10 LIMITED

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**DIRECTORS' REPORT
5 APRIL 2011**

The directors present the Annual Report and Financial Statements of Big Screen Productions 10 Limited ("the Company") for the year ended 5 April 2011

This Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

Principal activity

The Company is a wholly-owned subsidiary of Ingenious Media Limited, which is a wholly-owned subsidiary within the Ingenious Media Holdings plc group ("the Group"). The principal activity of the Company is as a member of Big Screen Productions 10 LLP ("the Partnership"). The directors are not aware of any likely major changes in the Company's activities in the next year.

The Group manages its operations on a divisional basis. For this reason, the Company's directors believe that key performance indicators for the Company are not necessary or appropriate for an understanding of its development, performance or position.

Due to the nature of the Company's investment in the Partnership, the Company is expecting to realise cumulative profits in future years.

Going concern

The directors have a reasonable expectation that the Company will be able 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.

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

Principal risks and uncertainties

The general health of the economy is a continuing risk for the Company. Group risks are discussed in the Ingenious Media Holdings plc Annual Report and Financial Statements.

Financial risk management

The Company is exposed to financial risk through its financial assets and liabilities. The Company has an investment in the Partnership which it reviews on a regular basis. All other balances are predominantly amounts owed by or owing to companies within the Group or are connected to the investment in the Partnership.

Results and dividends

The results for the year are set out on page 6.

The directors do not propose to pay a final dividend (period ended 5 April 2010: £nil).

No interim dividend was paid during the year (period ended 5 April 2010: £nil).

Future developments

The Company intends to continue to undertake its principal activity.

DIRECTORS' REPORT (CONTINUED)
5 APRIL 2011

Directors

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

J L Boyton
M T Bugden
J H M Clayton
N A Forster
D M Reid
S J Speight

Creditors payment policy

The Company does not follow any 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.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to

- select suitable accounting policies and 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 will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' REPORT (CONTINUED)
5 APRIL 2011

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 directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the 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

In the absence of a notice proposing that the appointment be terminated, the auditor, Deloitte LLP, will be deemed to be re-appointed in accordance with section 487 of the Companies Act 2006

This report was approved and signed on behalf of the board of directors on 29.07.11 by



S J CRUICKSHANK
Company Secretary

Registered office
15 Golden Square
London
W1F 9JG

Company Registration Number 06728877 (England and Wales)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIG SCREEN PRODUCTIONS 10 LIMITED

We have audited the financial statements of Big Screen Productions 10 Limited for the year ended 5 April 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Accounting Policies and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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 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 Company's affairs as at 5 April 2011 and of its loss 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIG SCREEN PRODUCTIONS 10 LIMITED (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report



Calum Thomson (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
Date 29. 7.11.

PROFIT AND LOSS ACCOUNT
YEAR ENDED 5 APRIL 2011

	Notes	Year ended 5 April 2011 £ '000s	Period from 21 October 2008 to 5 April 2010 £ '000s
Turnover	1	311	4
Cost of sales		<u>(311)</u>	<u>-</u>
Gross profit		-	4
Administrative expenses		<u>(2)</u>	<u>(3)</u>
Operating (loss)/profit	2	<u>(2)</u>	<u>1</u>
(Loss)/profit on ordinary activities before taxation		(2)	1
Taxation	4	<u>-</u>	<u>-</u>
(Loss)/profit for the financial year/period	11	(2)	1

The accounting policies and notes to the financial statements on pages 8 to 12 form an integral part of the financial statements

All of the Company's (loss)/profit is derived from continuing operations during the current year and prior period

The Company 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 SHEET
AS AT 5 APRIL 2011

	Notes	5 April 2011 £ '000s	5 April 2010 £ '000s
Fixed assets			
Investments	5	12,371	12,682
Current assets			
Debtors	6	123	14
Cash at bank		<u>2</u>	<u>2</u>
		125	16
Creditors: amounts falling due within one year	7	<u>(5)</u>	<u>(3)</u>
Net current assets		120	13
Total assets less current liabilities		12,491	12,695
Creditors: amounts falling due after more than one year	8	<u>(12,492)</u>	<u>(12,694)</u>
Net (liabilities)/assets		<u>(1)</u>	<u>1</u>
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account	11	<u>(1)</u>	<u>1</u>
Shareholder's (deficit)/funds	12	<u>(1)</u>	<u>1</u>

The accounting policies and notes to the financial statements on pages 8 to 12 form an integral part of the financial statements

The financial statements were approved by the board of directors and authorised for issue on 29 07 11

They were signed on behalf of the board of directors by



N A Forster
 Director

Company Registration Number: 06728877 (England and Wales)

STATEMENT OF ACCOUNTING POLICIES
5 APRIL 2011

The principal accounting policies are summarised below. They have been applied consistently throughout the current year and prior period.

Basis of accounting

The Annual Report and Financial Statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position have been reviewed by the directors. As part of the Group, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

On the basis that the Group will not require repayment of amounts owed to Group undertakings until the Company is able to do so, the directors have a reasonable expectation that the Company will 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.

Cash flow

The Annual Report and Financial Statements do not include a Cash Flow Statement because the Company, as a wholly-owned subsidiary, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash Flow Statements'.

Turnover

Turnover represents amounts receivable for services net of VAT and trade discounts derived from the Company's principal activity.

Cost of sales

Cost of sales represents direct costs attributable to turnover.

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.

Investments

The investment in the Partnership is stated at cost less any permanent diminution in value.

Trade loans

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

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 they will be recovered. Deferred tax assets and liabilities are not discounted.

NOTES TO THE FINANCIAL STATEMENTS
5 APRIL 2011

1 Turnover

The total turnover of the Company for the current year and prior period has been derived from its principal activity wholly undertaken in the United Kingdom

2. Operating (loss)/profit

	Year ended 5 April 2011 £ '000s	Period from 21 October 2008 to 5 April 2010 £ '000s
This is stated after charging		
Fees for the statutory audit of the Company	2	3
	<u>2</u>	<u>3</u>

3. Staff costs

The Company incurred no staff costs nor paid any remuneration to its directors during the year (period ended 5 April 2010 £nil) The Company had no employees during the current year and prior period

The emoluments of the directors were paid and borne by other Group undertakings and none of their remuneration was specifically attributable to their services to the Company

4. Taxation

The tax charge on the (loss)/profit on ordinary activities for the year/period was as follows

	Year ended 5 April 2011 £ '000s	Period from 21 October 2008 to 5 April 2010 £ '000s
UK Corporation tax at 28% (period ended 5 April 2010 28%) based on the adjusted results for the year/period	-	-
Current tax charge	<u>-</u>	<u>-</u>

Factors affecting tax charge for the year/period

	Year ended 5 April 2011 £ '000s	Period from 21 October 2008 to 5 April 2010 £ '000s
(Loss)/profit on ordinary activities before taxation	<u>(2)</u>	<u>1</u>
(Loss)/profit on ordinary activities for the year/period multiplied by standard rate of corporation tax in the UK of 28% (period ended 5 April 2010 28%)	(1)	-
Effects of		
Adjustment to allocation from the Partnership	(51)	(499)
Group relief surrendered	<u>52</u>	<u>499</u>
Current tax charge	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
5 APRIL 2011

5. Fixed asset investments

	5 April 2011 £ '000s	5 April 2010 £ '000s
Share of Partnership undertaking		
Cost		
Balance brought forward	12,682	-
Permanent diminution in value	(311)	-
Partnership investment	-	12,699
Drawings	-	(17)
Balance carried forward	12,371	12,682

The Company is a member in the Partnership, holding 84% of the Partnership capital. At the year end the Company had a net investment of £12.4m (period ended 5 April 2010: £12.7m) in the Partnership. The Partnership is a film production business. Its place of business and head office address is 15 Golden Square, London, W1F 9JG United Kingdom.

Further information on this investment is provided in note 14.

6. Debtors

	5 April 2011 £ '000s	5 April 2010 £ '000s
Amount owed by associated undertaking	123	14

7. Creditors: amounts falling due within one year

	5 April 2011 £ '000s	5 April 2010 £ '000s
Accruals and deferred income	2	3
Amount owed to Group undertaking	3	-
	5	3

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

	5 April 2011 £ '000s	5 April 2010 £ '000s
Amount owed to Group undertaking	444	444
Trade loans	12,048	12,250
	12,492	12,694

Trade loans relate to loans from commissioning distributors. The Company has granted security to the lenders for its obligations under the loan agreements. The security pledged is a charge over all of the Company's rights, title and interest in relation to the underlying film productions. No interest is payable and there are no terms of repayment.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
5 APRIL 2011

9. Called up share capital

	Allotted, called up and fully paid			
	5 April 2011		5 April 2010	
	£	No	£	No
Ordinary shares of £1 each issued at par	1	1	1	1

10. Related party transactions

The financial statements do not include disclosure of transactions between the Company and entities that are wholly-owned by the Group. This is because, as a subsidiary whose shares are wholly-owned by the Group, it is exempt from the requirement to disclose such transactions, under Financial Reporting Standard 8 'Related Party Disclosures'.

Ingenious Media Investments Limited acts as operator of the Partnership. The directors of the Company acted as directors of Ingenious Media Investments Limited. The Company and Ingenious Media Investments Limited are wholly-owned subsidiaries of Ingenious Media Limited, which is itself a wholly-owned subsidiary of the Group.

D M Reid is a member of the Executive Committee of the Partnership and is also a director of the Company. The Executive Committee has discretion to approve any films proposed for production by Ingenious Media Investments Limited.

The investment made by the Company in the Partnership is detailed in notes 5 and 14.

The directors consider the Partnership to be an associated undertaking of the Company. At the year end the amount due from the Partnership was £123k (period ended 5 April 2010: 14k).

11. Statement of movements on Profit and Loss Account

	5 April 2011 £ '000s	5 April 2010 £ '000s
Balance brought forward	1	-
(Loss)/profit for the financial year/period	(2)	1
Balance carried forward	(1)	1

12. Reconciliation of movements in shareholder's (deficit)/funds

	5 April 2011 £ '000s	5 April 2010 £ '000s
(Loss)/profit for the financial year/period	(2)	1
Net movement in shareholder's (deficit)/funds	(2)	1
Shareholder's funds brought forward	1	-
Shareholder's (deficit)/funds carried forward	(1)	1

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
5 APRIL 2011

13. Controlling party

During the year ended 5 April 2011 the Company was a wholly-owned subsidiary of Ingenious Media Limited, a company registered in England and Wales. Ingenious Media Limited is a wholly-owned subsidiary within the Group. Ingenious Media Holdings plc is the only parent undertaking for which consolidated financial statements are prepared.

The consolidated financial statements of Ingenious Media Holdings plc can be obtained from Companies House, Crown Way, Mandy, Cardiff CF14 3UZ.

The controlling shareholder of Ingenious Media Holdings plc is P A McKenna.

14. Additional information on Partnership undertaking

During the year the Company had an interest in the following partnership:

	Activity	Class	%
Big Screen Productions 10 LLP	Film Production Business	Member	84

The interest in the Partnership was purchased for £12.7m by the Company. Under the terms of the members' agreement for the Partnership, the Company is entitled to draw 100% of all Partnership income until such time as drawings equal 7.62% of the cumulative aggregate capital contributions made. Thereafter, the Company is entitled to 62.5% of cash drawings from the Partnership. Profits and losses of the Partnership are allocated in accordance with the members' agreement.

The Partnership's operating profit for the year ended 30 June 2010 was £126k (period ended 30 June 2009: loss of £13.3m) resulting in a net asset position of £1.9m (period ended 30 June 2009: £1.8m) at that date.