

06756457

AUBURN ENTERTAINMENT 12 PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended

31 March 2010

TUESDAY



AAI1WNE0

A04

14/09/2010

466

COMPANIES HOUSE

Company Registration Number
06756457 (England and Wales)

ANNUAL REPORT AND FINANCIAL STATEMENTS 2010

CONTENTS

THE COMPANY AND ITS ADVISERS	1
DIRECTORS' REPORT	2
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS	5
PROFIT AND LOSS ACCOUNT	7
BALANCE SHEET	8
CASH FLOW STATEMENT	9
NOTES TO THE CASH FLOW STATEMENT	10
NOTES TO THE FINANCIAL STATEMENTS	11

THE COMPANY AND ITS ADVISERS

Directors	J L Boyton M T Bugden J H M Clayton N A Forster D M Reid S J Speight
Company Secretary	S J Cruickshank
Registered Office	15 Golden Square London W1F 9JG
Company Number	06756457 (England and Wales)
Auditors	Shipleys LLP Chartered Accountants and Registered Auditors 10 Orange Street Haymarket London WC2H 7DQ
Bankers	Coutts & Co 440 Strand London WC2R 0QS
Registrar	SLC Registrars Thames House Portsmouth Road Esher Surrey KT10 9AD

DIRECTORS' REPORT

31 March 2010

The directors present their Annual Report and Financial Statements for Auburn Entertainment 12 plc ("the Company") for the year ended 31 March 2010

ACTIVITIES

The Company is a member of Auburn Entertainment LLP ("the Partnership"), a limited liability partnership formed to operate in the media and entertainment sectors engaging in a number of commercial media projects including

- working with leading content creators to produce and exploit original entertainment content such as television programmes and feature films,
- the promotion of premium entertainment content through marketing and distribution services

In assessing which projects to pursue, the Partnership endeavours to work with the most successful content creators and highest quality promoters to carry out its media projects. The Partnership also benefits from its relationship with the Ingenious Media Group to identify, source and undertake media projects that have the potential to generate additional returns

REVIEW OF THE YEAR

The Company raised capital of £1,941,500 (2009: £1,000) during the year, £1,858,016 (2009: £1,000) was deployed into the Partnership

After taking into account the running costs of the Company and its share of the Partnership's results, the Company made a net loss of £155,928 (2009: £Nil) during the year

The net assets of the Company at 31 March 2010 were £1,786,572 (2009: £1,000)

The directors consider the Company's performance to be satisfactory given the risk profile of the activities engaged in and the current stage of the Company's development. The directors will continue to monitor the returns being generated on the funds employed in the Partnership and the performance of the operator

DIRECTORS' REPORT (CONTINUED)

31 March 2010

DIVIDENDS

In accordance with the prospectus, dated 3 November 2008, the directors do not recommend the payment of a dividend (2009 £Nil)

FUTURE PROSPECTS

The directors believe the Company is well placed to continue its business in the coming year

DIRECTORS

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

	Appointment date	Resignation date
J L Boyton		
M T Bugden	1 June 2009	
J H M Clayton	1 June 2009	
N A Forster		
P A McKenna		1 June 2009
D M Reid		
S J Speight	1 June 2009	

PAYMENT OF SUPPLIERS

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

Trade creditors represented Zero days purchases (2009 Zero days)

FINANCIAL RISK MANAGEMENT OBJECTIVES AND PROCEDURES

As the Company's key activity is investment into the Partnership the directors have deemed it appropriate to consider the key risks to which the Partnership is exposed. Due to the nature of the Partnership's business and the assets and liabilities contained within its balance sheet, the key financial risk the directors consider relevant is credit risk. This risk is mitigated by the Partnership's credit control policies and greenlighting procedure. In assessing which media projects to undertake, the Partnership's operator endeavours to work with the most successful content creators, distributors and promoters and to work with and engage the highest quality personnel to carry out its media projects.

DIRECTORS' REPORT (CONTINUED)

31 March 2010

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 of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that

- there is no relevant audit information of which the Company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Shipleys 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 Annual General Meeting.

This report was approved and signed on behalf of the board of directors on **9 AUGUST** 2010 by



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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AUBURN ENTERTAINMENT 12 PLC

We have audited the financial statements of Auburn Entertainment 12 plc for the year ended 31 March 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, Notes to the Cash Flow Statement and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

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 31 March 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- the financial statements have been prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AUBURN ENTERTAINMENT 12 PLC (CONTINUED)

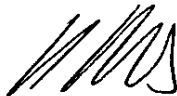
OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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 under the Companies Act 2006 we are required 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



Kenneth Roberts (Senior Statutory Auditor)
For and on behalf of Shipleys LLP (Statutory Auditors)
10 Orange Street, Haymarket, London WC2H 7DQ

Date **9 AUGUST** 2010

PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2010

		Year ended 31 March 2010 £	Period ended 31 March 2009 £
	Notes		
Administrative expenses		(62,493)	-
OPERATING LOSS	2	(62,493)	-
Share of associated Partnership's results	6	(93,254)	-
Interest receivable and similar income	3	12	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(155,735)	-
Taxation on loss on ordinary activities	4	(193)	-
LOSS FOR THE YEAR/PERIOD	11	(155,928)	-

All results are derived from continuing operations

There are no recognised gains or losses during the financial year other than as stated in the Profit and Loss Account above, and accordingly no separate statement of total recognised gains and losses is presented

The accompanying Notes are an integral part of this Profit and Loss Account

AUBURN ENTERTAINMENT 12 PLC

BALANCE SHEET

As at 31 March 2010

	Notes	31 March 2010 £	31 March 2009 £
FIXED ASSETS			
Investments	6	1,765,762	1,000
CURRENT ASSETS			
Debtors	7	50,000	50,000
Cash at bank and in hand		25,117	-
		75,117	50,000
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	(4,307)	-
NET CURRENT ASSETS		70,810	50,000
TOTAL ASSETS LESS CURRENT LIABILITIES		1,836,572	51,000
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	9	(50,000)	(50,000)
NET ASSETS		1,786,572	1,000
CAPITAL AND RESERVES			
Called up equity share capital	10	4,883	1,000
Share premium account	11	1,937,617	-
Profit and loss account	11	(155,928)	-
SHAREHOLDERS' FUNDS	12	1,786,572	1,000

The accompanying Notes are an integral part of this Balance Sheet

The financial statements of Auburn Entertainment 12 plc registered number 06756457 were approved by the board and authorised for issue on **9 AUGUST** 2010

They were signed on behalf of the board of Directors by



N A Forster
Director

CASH FLOW STATEMENT

For the year ended 31 March 2010

		Year ended 31 March 2010 £	Period ended 31 March 2009 £
	Notes		
Cash outflow from operating activities	A	(58,379)	-
Returns on investment and servicing of finance	B	12	-
Acquisitions and disposals	C	(1,858,016)	(1,000)
Net cash outflow before management of liquid resources and financing		(1,916,383)	(1,000)
Financing	D	1,941,500	1,000
Increase in cash in the year/period	E	25,117	-

The accompanying Notes are an integral part of this Cash Flow Statement

NOTES TO THE CASH FLOW STATEMENT

For the year ended 31 March 2010

	Year ended 31 March 2010 £	Period ended 31 March 2009 £
A. Reconciliation of operating loss to net cash outflow from operating activities		
Operating loss	(62,493)	-
Increase in creditors	4,114	-
Net cash outflow from operating activities	(58,379)	-
B. Returns on investment and servicing of finance	Year ended 31 March 2010 £	Period ended 31 March 2009 £
Interest received	12	-
C. Acquisitions and disposals	Year ended 31 March 2010 £	Period ended 31 March 2009 £
Investment in Partnership	(1,858,016)	(1,000)
D. Financing	Year ended 31 March 2010 £	Period ended 31 March 2009 £
Issue of equity share capital	3,883	1,000
Issue of non-equity share capital	-	50,000
Amounts due from shareholders	-	(50,000)
Share premium on equity share capital	1,937,617	-
Net cash inflow from financing activities	1,941,500	1,000
E. Analysis of changes in net funds	At 31 March 2009 £	At 31 March 2010 £
Cash at bank and in hand	-	25,117
F. Reconciliation of net cash flow to movement in net funds	Year ended 31 March 2010 £	Period ended 31 March 2009 £
Net cash at start of year/period	-	-
Increase in cash in the year/period	25,117	-
Net cash at end of the year/period	25,117	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2010

PRINCIPAL ACCOUNTING POLICIES**1. BASIS OF ACCOUNTING**

The financial statements have been prepared under the historical cost convention

Compliance with accounting standards

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards. The significant accounting policies adopted are summarised below. These policies have been consistently applied in the current year.

Investment in associated partnership

The investment in the associated Partnership is stated at cost less provision for any permanent diminution in value and is accounted for using the equity method. The Profit and Loss Account includes the Company's share of the Partnership's profits less losses while the Company's share of the net assets of the Partnership is shown in the Balance Sheet.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in 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 not discounted.

Foreign currency

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit or loss.

Financial instruments

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2010

	Year ended 31 March 2010 £	Period ended 31 March 2009 £
2. OPERATING LOSS		
The operating loss is stated after charging		
Auditors' remuneration for audit services	1,175	-
3. INTEREST RECEIVABLE AND SIMILAR INCOME		
Bank interest	12	-
4. TAXATION		
(i) The tax charge on the loss on ordinary activities for the year/period was as follows		
UK corporation tax at 21%	193	-
Current tax charge for the year/period	193	-
Deferred tax charge for the year/period	-	-
Total tax charge	193	-
(ii) Factors affecting the tax charge for the year/period		
Loss on ordinary activities before taxation	(155,735)	-
Loss on ordinary activities for the year/period multiplied by the standard rate of corporation tax of 21%	(32,704)	-
Effects of		
Adjustment to allocation from partnership	1,331	-
Unrelieved tax losses in year/period	19,335	-
Expenses not deductible for tax purposes	12,231	-
Current tax charge for the year/period	193	-

A potential deferred tax asset of £19,335 (2009 £Nil) in respect of tax losses carried forward has not been recognised due to uncertainty over the availability of taxable profits in future chargeable accounting periods

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2010

5. DIRECTORS AND EMPLOYEES

The Company did not have any employees during the current year or prior period. The directors did not receive any remuneration for their services during either the current year or prior period.

6. INVESTMENTS

	Year ended 31 March 2010 £	Period ended 31 March 2009 £
Cost / Share of net assets		
Balance brought forward	1,000	-
Movement during the year/period		
Capital paid	1,858,016	1,000
Share of Partnership's results	(93,254)	-
Balance carried forward	1,765,762	1,000

The investment represents the interest in the Partnership. At the year end, the Company had a 5.44% (2009: 0.0%) interest in the capital of the Partnership and an entitlement to an allocation of profits and losses based on its respective weighted Member's share. The Partnership was formed under the Limited Liability Partnerships Act 2000 to operate in the media, entertainment and sports sectors engaging in a number of commercial media projects. Its place of business and registered office address is 15 Golden Square, London, W1F 9JG United Kingdom. The Partnership made a net loss of £995,553 (2009: net loss of £735,185) during the year to 31 March 2010.

The directors do not consider there to have been any indication of a permanent diminution in the carrying value of the investment, it is therefore carried at cost plus any share of profits or losses.

7. DEBTORS

	Year ended 31 March 2010 £	Period ended 31 March 2009 £
Other debtors	-	-
Amounts due from shareholders	50,000	50,000
	50,000	50,000

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Year ended 31 March 2010 £	Period ended 31 March 2009 £
Accruals	4,114	-
Corporation tax	193	-
	4,307	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2010

	Year ended 31 March 2010 £	Period ended 31 March 2009 £
9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
Shares classified as financial liabilities	50,000	50,000
	50,000	50,000

10. SHARE CAPITAL

	Called up and fully paid			
	2010		2009	
	£	No.	£	No.
A Ordinary shares of £1 each	1,000	1,000	1,000	1,000
B Ordinary shares of £1 each	3,883	3,883	-	-

3,883 B Ordinary shares were issued and allotted during the period in accordance with the terms of the Prospectus

On 24 November 2008, the Company redesignated 50,000 ordinary shares of £1 each as 50,000 redeemable preference shares of £1 each in the authorised but unissued capital of the Company, pursuant to a written resolution of the sole member. On 24 November 2008, the Company allotted 50,000 redeemable preference shares of £1 each to Ingenious Media Investments Limited

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

11. RESERVES

	2010		2009	
	Share premium account £	Profit and loss account £	Share premium account £	Profit and loss account £
Balance brought forward	-	-	-	-
On issue of equity shares	1,937,617	-	-	-
Loss for the financial year/period	-	(155,928)	-	-
Balance carried forward	1,937,617	(155,928)	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2010

	Year ended 31 March 2010 £	Period ended 31 March 2009 £
12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS		
(i) Equity shareholders' funds		
Loss for the financial year/period	(155,928)	-
Equity subscribed	1,991,500	1,000
Net movement in shareholders' funds	1,835,572	1,000
Opening shareholders' funds	1,000	-
Closing shareholders' funds	1,836,572	1,000

	Year ended 31 March 2010 £	Period ended 31 March 2009 £
(ii) Non-equity shareholders' funds		
Non-equity share capital issued at par	-	50,000
Net movement in non-equity shareholders' funds	-	50,000
Opening non-equity shareholders' funds	50,000	-
Closing non-equity shareholders' funds	50,000	50,000

13. RELATED PARTY TRANSACTIONS

P A McKenna who is a shareholder of the Company, and was a director of the Company in the year, was also a director of Ingenious Media Investments Limited (operator of the Partnership) and Ingenious Resources Limited in the year. Ingenious Media Investments Limited administers the Company under the Placing and Administration Agreement. Ingenious Resources Limited provides loans to the shareholders of the Company.

J L Boyton, M T Bugden, J H M Clayton, N A Forster, D M Reid and S J Speight are directors of the Company and are also directors of Ingenious Media Investments Limited and Ingenious Resources Limited. Both companies are wholly-owned subsidiaries of Ingenious Media Limited, which itself is a wholly-owned subsidiary of Ingenious Media Holdings plc, the ultimate parent company that is under the control of P A McKenna.

Ingenious Media Investments Limited received fees of £Nil (2009 £58,245) from the Company for distribution and administrative services provided, which was fully paid in the year.

As at the year end, Ingenious Resources Limited had loans outstanding of £1,653,100 (2009 £Nil) to the shareholders of the Company. These loans fall due for repayment after more than one year.

There were no other material transactions with any other related party in the year.

14. CONTROLLING PARTY

In the opinion of the directors there is no controlling party as defined by Financial Reporting Standard 8 'Related Party Disclosures'.