

Registered number: 09063134

INGENIOUS MEDIA FINANCE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



INGENIOUS MEDIA FINANCE LIMITED

COMPANY INFORMATION

Directors	N Forster P Touche C Sutherland
Company secretary	S Cruickshank
Company number	09063134
Registered office	15 Golden Square London W1F 9JG
Independent auditor	Shipleys LLP Chartered Accountants and Statutory Auditor 10 Orange Street Haymarket London WC2H 7DQ
Bankers	Barclays Bank PLC 38 Hans Crescent London SW1X 0LZ

INGENIOUS MEDIA FINANCE LIMITED

CONTENTS

	Page
Directors' Report	1 - 2
Independent Auditor's Report	3 - 5
Statement of Comprehensive Income	6
Balance Sheet	7
Notes to the Financial Statements	8 - 15

INGENIOUS MEDIA FINANCE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements of Ingenious Media Finance Limited ("the Company") for the year ended 31 December 2018.

Principal activity

The principal activity of the Company is to generate returns for its shareholder through the issuance of commercial loans and credit services to borrowers for the purpose of funding the development, production and exploitation of television programmes, films and other media projects.

In assessing which counterparties to issue commercial loans to, the Company benefits from its relationship with Ingenious Capital Management Limited to facilitate the sourcing of suitable opportunities.

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Directors' Report and Financial Statements.

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

Directors

The directors who served during the year and subsequently were:

K Bennetts (resigned 2 November 2018)
H Eastwood (resigned 30 April 2019)
N Forster
P Touche
C Sutherland (appointed 18 March 2019)

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare the Directors Report and the financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

INGENIOUS MEDIA FINANCE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

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.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed 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 the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There were no post balance sheet events.

Auditor

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, Shipleys LLP, will be deemed to be re-appointed in accordance with section 487(2) of the Companies Act 2006.

Small Companies' Exemptions

This Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption. This is in accordance with Part 15 of the Companies Act 2006. The Company has taken advantage of the exemption for the requirement to disclose an enhanced business review and to prepare a strategic report in accordance with section 414B of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



C Sutherland
Director

Date: 27/09/19.

15 Golden Square
London
W1F 9JG

INGENIOUS MEDIA FINANCE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INGENIOUS MEDIA FINANCE LIMITED

Opinion

We have audited the financial statements of Ingenious Media Finance Limited for the year ended 31 December 2018 which comprise the profit and loss account, the balance sheet, and the notes to the financial statements. 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), including FRS 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INGENIOUS MEDIA FINANCE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INGENIOUS MEDIA FINANCE LIMITED

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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 or 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 prepare the financial statements and the directors' report in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.'

INGENIOUS MEDIA FINANCE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INGENIOUS MEDIA FINANCE LIMITED

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of this report

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 that 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, or the opinions we have formed.



Joseph Kinton (Senior statutory auditor)

for and on behalf of
Shipleys LLP

Chartered Accountants and Statutory Auditor

10 Orange Street
Haymarket
London
WC2H 7DQ

Date: 27 September 2019

INGENIOUS MEDIA FINANCE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Turnover		1,587,363	1,820,156
Cost of sales		(27,900)	(88,800)
Gross profit		1,559,463	1,731,356
Administrative expenses		(666,068)	(388,511)
Operating profit		893,395	1,342,845
Interest receivable and similar income	5	2,137	1,577
Interest payable and expenses	6	(972,926)	(1,066,437)
Foreign exchange gain/(loss)		351,793	216,381
Profit before tax		274,399	494,366
Tax on profit	7	(52,136)	(95,149)
Profit for the financial year		222,263	399,217
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Total comprehensive income for the year		222,263	399,217

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

The notes on pages 8 to 15 form part of these financial statements.

INGENIOUS MEDIA FINANCE LIMITED
REGISTERED NUMBER: 09063134

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Current assets			
Debtors: amounts falling due after more than one year	8	6,476,570	6,127,519
Debtors: amounts falling due within one year	8	24,859,012	31,623,128
Cash at bank and in hand	9	5,366,669	5,385,128
		<u>36,702,251</u>	<u>43,135,775</u>
Creditors: amounts falling due within one year	10	(36,372,919)	(43,028,707)
Net current assets		<u>329,332</u>	<u>107,068</u>
Total assets less current liabilities		<u>329,332</u>	<u>107,068</u>
Net assets excluding pension asset		<u>329,332</u>	<u>107,068</u>
Net assets		<u><u>329,332</u></u>	<u><u>107,068</u></u>
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account	12	329,332	107,068
		<u><u>329,332</u></u>	<u><u>107,068</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - Small Entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

The notes on pages 8 to 15 form part of these financial statements.


C Sutherland
 Director

Date: 27/09/19.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. Accounting policies

1.1 Basis of preparation of financial statements

The Company is incorporated in England & Wales under the Companies Act 2006.

The Company is a private company limited by shares and is registered in England and Wales. The address of the registered office is given on the Company Information page.

The principal activity can be found in the Directors Report.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 Section 1A, the Financial Reporting Standard applicable in the UK and the Republic of Ireland ("FRS 102") and the Companies Act 2006.

The functional and presentational currency of the Company is considered to be pound sterling because that is the currency of the primary economic environment in which the Company operates. The financial statements are rounded to the nearest £.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

The financial statements do not include a cash flow statement because the Company satisfies the criteria of being a small entity as defined in FRS 102 and as such has taken advantage of the exemption available under Section 1A of FRS 102 not to disclose a statement.

The following principal accounting policies have been applied:

1.2 Going concern

The Company continues to issue increasing levels of loans for commercial loans for the purpose of funding the production of television programmes and films. Capital available to the Company to fund these commercial loans also steadily increased over the year and is expected to continue. These loans are expected to generate positive cash flows. Due to these growth plans and overall prospects of the Company the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Directors' Report and Financial Statements.

1.3 Turnover recognition

Arrangement fee income and interest income, on financial assets that are classified as trade loans, is determined using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income over the expected life of the asset or liability. The effective interest rate is a rate that exactly discounts the estimated future cash flows to the instrument's initial carrying amount. Calculation of the effective interest rate takes into account fees receivable, that are an integral part of the instrument yield and transaction costs. All contractual terms of a financial instrument are considered when estimating future cash flows.

1.4 Cost of sales

Cost of sales represents direct costs attributable to turnover.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. Accounting policies (continued)

1.5 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.6 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, with the exception of certain balances which are translated into sterling at the rate of exchange in forward and spot rate contracts. These contracts are in place in order to mitigate the risk of exchange rate fluctuations. Exchange differences are taken to the Profit and Loss Account.

1.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.8 Financial instruments

The Company's principal financial instruments are its cash at bank and trade loan receivables. The main purpose of the cash at bank and trade loan receivables is to provide funding for the Company's operations and to ensure the Company can meet its liabilities and provision for committed loans 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.

INGENIOUS MEDIA FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.8 Financial instruments (continued)

Financial assets

On initial recognition, trade loans are classified as financial assets.

Trade loans are initially recognised at fair value plus directly related transaction costs. They are subsequently measured at amortised cost using the effective interest method (see turnover recognition) less any impairment loss.

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired. Financial assets are impaired and an impairment loss incurred if there is objective evidence that an event or events since initial recognition of the asset have adversely affected the amount or timing of future cash flows from the asset.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired.

Financial liabilities

On initial recognition, financial liabilities are measured at amortised cost using the effective interest method (see turnover recognition).

A financial liability is removed from the balance sheet when the obligation is discharged, or cancelled, or expires.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2018 £	2017 £
Auditor's remuneration	4,500	4,500

INGENIOUS MEDIA FINANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

4. Directors' remuneration

The Company did not have any employees during the year (2017: none). The directors did not receive any remuneration for their services during the year (2017: £nil).

5. Interest receivable

	2018 £	2017 £
Bank interest	2,137	1,577
	<u>2,137</u>	<u>1,577</u>

6. Interest payable and similar expenses

	2018 £	2017 £
Loan interest payable	98,883	502,108
Loans from group undertakings	874,043	564,329
	<u>972,926</u>	<u>1,066,437</u>

INGENIOUS MEDIA FINANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

7. Taxation

	2018 £	2017 £
Current tax on profit on ordinary activities		
UK corporation tax	52,136	95,149
	<u>52,136</u>	<u>95,149</u>
Total current tax	<u>52,136</u>	<u>95,149</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>52,136</u>	<u>95,149</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2017: the same as) the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>274,399</u>	<u>494,366</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 19.00% (2017: 19.25%)	52,136	95,149
Effects of:		
Total tax charge for the year	<u>52,136</u>	<u>95,149</u>

INGENIOUS MEDIA FINANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

8. Debtors

	2018 £	2017 £
Due after more than one year		
Trade debtors	6,476,570	6,127,519
	<u>6,476,570</u>	<u>6,127,519</u>
	2018 £	2017 £
Due within one year		
Trade debtors	24,109,450	30,824,646
Other debtors	704,158	753,359
Prepayments and accrued income	24,573	45,123
Financial instruments	20,831	-
	<u>24,859,012</u>	<u>31,623,128</u>

9. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	5,366,669	5,385,128
	<u>5,366,669</u>	<u>5,385,128</u>

INGENIOUS MEDIA FINANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. Creditors: Amounts falling due within one year

	2018 £	2017 £
Loans Payable	-	11,843,033
Amounts owed to group undertakings	35,801,266	30,325,763
Corporation tax	52,136	84,664
Other creditors	44,000	267,102
Accruals and deferred income	475,517	444,304
Financial instruments	-	63,841
	<u>36,372,919</u>	<u>43,028,707</u>

Amounts owed to group undertakings is owed to Ingenious Estate Planning Limited. The loan is unsecured, repayable on demand and interest is charged at 2% plus the Bank of England base rate per annum.

During the year-ended 31 December 2016, a revolving credit facility was provided by Ingenious Resources Limited, and interest was charged at 4% per annum. The loan was repaid in January 2018 (£7.3m).

During the year-ended 31 December 2017, a revolving credit facility was provided by Ingenious Project Finance Limited, and interest was charged at 3.75% above the Bank of England base rate per annum. The amount was repaid in October 2018.

11. Share capital

	2018 £	2017 £
Authorised, allotted, called up and fully paid		
1 (2017 - 1) Ordinary shares share of £0.10	-	-

12. Reserves**Profit and loss account**

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

INGENIOUS MEDIA FINANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

13. Related party transactions

The Company is a wholly-owned subsidiary of Ingenious Estate Planning Limited, a company registered in England and Wales. The Company is managed by Ingenious Capital Management Limited. Ingenious Capital Management Limited is a wholly-owned subsidiary of Ingenious Capital Management Holdings Limited, a company registered in England and Wales.

The Company has applied the exemption granted by Section 33.1A of FRS 102 Related Party Disclosures not to disclose transactions with the parent company on the basis that it is a wholly-owned subsidiary and any transactions with other related parties have been undertaken under normal market conditions.

14. Controlling party

During the year to December 2018, the Company was a wholly-owned subsidiary of Ingenious Estate Planning Limited, registered at 15 Golden Square, London, W15 9JG.

No consolidated financial statement are prepared for the parent undertaking as they have taken the exemption for consolidation on the grounds set out in paragraph 9.9(b) of FRS 102 relating to subsidiaries held as part of an investment portfolio, at fair value through profit or loss.