

**INSIDE TRACK PRODUCTIONS LLP**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 5 APRIL 2012**

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Limited Liability Partnership Number OC 303045

**INSIDE TRACK PRODUCTIONS LLP**

**ANNUAL REPORT AND FINANCIAL STATEMENTS 2012**

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**INSIDE TRACK PRODUCTIONS LLP****MEMBERS' REPORT**

Year ended 5 April 2012

The members present the Annual Report and Financial Statements on the affairs of Inside Track Productions LLP ("the Partnership") for the year ended 5 April 2012

The report has been prepared taking advantage of the small companies exemption in accordance with Section 415A of the Companies Act 2006, as applicable to limited liability partnerships

**Principal activities**

The Partnership was formed to produce a high quality slate of feature films with the potential for commercial exploitation across all media

In assessing which films to produce, the Partnership has endeavoured to work with the most successful distributors and sales agents and to engage the highest quality production services companies and personnel to carry out its production activities. The Partnership has also benefited from the expertise of Ingenious Media Investments Limited which performs an Executive Producer role on all films

**Business review and future outlook**

The Partnership had previously entered into contracts to produce seven films, costing £66 million, on behalf of commissioning distributors. All of these films have been completed and delivered to the commissioning distributors. No further contracts were entered into during the year.

The films have been theatrically released and are now generating DVD/television income.

Operating profit for the year ended 5 April 2012 is £175,136 (2011: £1,038)

The Partnership will continue to participate in distribution receipts arising from sales made of the films by the commissioning distributors.

**Going concern**

After making enquiries, the members have a reasonable expectation that the Partnership has adequate resources to 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 Note 1 of the financial statements.

**Overseas branches**

There are no overseas branches of the Partnership.

**INSIDE TRACK PRODUCTIONS LLP****MEMBERS' REPORT (Continued)**

Year ended 5 April 2012

**Policy regarding members' drawings and capital**

Designated Members are not entitled to drawings. In accordance with the Members' Agreement, drawings shall be made at the discretion of Ingenious Ventures, a division of Ingenious Asset Management Limited, ("the Operator"), the operator of the Partnership.

Members' capital is subscribed in accordance with the current Members' Agreement and retained by the Partnership until such time as the members agree to repay that capital. There were no transfers of members' capital to debt during the year.

The operating cash requirements of the Partnership shall be met out of the members' initial contributions and no member shall be required to make any further funding available after their admission as a member (save to the extent of their liability on a winding up).

**Designated Members**

The designated members serving during the year were Trafalgar Film Partner 1 Limited and Trafalgar Film Partner 2 Limited ("the Designated Members").

**Statement of members' responsibilities**

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

Legislation applicable to limited liability partnerships requires the members to prepare financial statements for each financial period. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Partnership and of the profit or loss of the Partnership for that period. In preparing the financial statements, the members are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business.

The members are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to limited liability partnerships. The members are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INSIDE TRACK PRODUCTIONS LLP**

**MEMBERS' REPORT (Continued)**

Year ended 5 April 2012

**Statement of members' responsibilities (continued)**

In so far as the members are aware

- there is no relevant audit information of which the Partnership's auditor is unaware, and
- the members have taken all steps that they should have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

These responsibilities are exercised by the Designated Members on behalf of the Partnership

**Auditor**

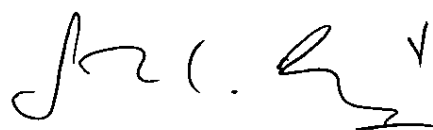
Deloitte LLP are deemed to be re-appointed under Section 487(2) of the Companies Act 2006 as applicable to limited liability partnerships

This report was approved by the Designated Members on 31 May 2012 and signed on their behalf by



**TRAFALGAR FILM PARTNER 1 LIMITED**

Designated Member



**TRAFALGAR FILM PARTNER 2 LIMITED**

Designated Member

Registered office  
15 Golden Square  
London W1F 9JG

Limited Liability Partnership Number OC 303045

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSIDE TRACK PRODUCTIONS LLP**

We have audited the financial statements of Inside Track Productions LLP for the year ended 5 April 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Notes to the Cash Flow Statement and the related Notes 1 to 9. 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 limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of members and auditor**

As explained more fully in the Members' Responsibilities Statement, the members 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 limited liability partnership's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the designated members, 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. If we become aware of any apparent material misstatements or inconsistencies we consider the 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 limited liability partnership's affairs as at 5 April 2012 and of its 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 as applied to limited liability partnerships.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSIDE TRACK PRODUCTIONS LLP (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 as applied to limited liability partnerships 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
- we have not received all the information and explanations we require for our audit, or
- the members were not entitled to prepare financial statements in accordance with the small limited liability partnerships regime



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

Date **31.5.12.**

**INSIDE TRACK PRODUCTIONS LLP**

**PROFIT AND LOSS ACCOUNT**

Year ended 5 April 2012

	NOTES	Year ended 5 April 2012 £	Year ended 5 April 2011 £
Turnover	1	173,142	6,689
Cost of sales		-	(3,571)
<b>GROSS PROFIT</b>		173,142	3,118
Operating expenses		1,994	(2,080)
<b>OPERATING PROFIT</b>	2	175,136	1,038
Interest payable and similar costs	3	-	(29)
<b>PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARE</b>	7	175,136	1,009
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS</b>	7	175,136	1,009

All results are derived from continuing operations

There are no recognised gains or losses 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 the financial statements



**INSIDE TRACK PRODUCTIONS LLP**

**BALANCE SHEET**

At 5 April 2012

	NOTES	5 April 2012 £	5 April 2011 £
<b>CURRENT ASSETS</b>			
Debtors	4	1,179	1,179
Cash at bank		162,798	78,779
		163,977	79,958
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
Other creditors	5	(95,765)	(9,194)
Accruals		(2,550)	(7,096)
		(98,315)	(16,290)
<b>NET ASSETS</b>		<b>65,662</b>	<b>63,668</b>
<b>MEMBERS' INTERESTS</b>			
Members' capital accounts	7	68,746,094	68,746,094
Other reserves	7	(68,680,432)	(68,682,426)
<b>TOTAL MEMBERS' INTERESTS</b>	<b>7</b>	<b>65,662</b>	<b>63,668</b>

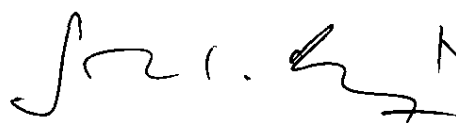
The accompanying Notes are an integral part of the financial statements

The financial statements were approved by the Designated Members and authorised for issue on 31 May 2012 and signed on their behalf by



**TRAFALGAR FILM PARTNER 1 LIMITED**

Designated Member



**TRAFALGAR FILM PARTNER 2 LIMITED**

Designated Member

Limited Liability Partnership Number OC 303045

**INSIDE TRACK PRODUCTIONS LLP**

**CASH FLOW STATEMENT**

Year ended 5 April 2012

	NOTES	Year ended 5 April 2012 £	Year ended 5 April 2011 £
<b>Net cash inflow from operating activities</b>	A	170,590	16,784
<b>Members' drawings</b>		(86,571)	(3,345)
<b>Increase in cash and cash equivalents</b>	B	<b>84,019</b>	<b>13,439</b>

The accompanying Notes are an integral part of the financial statements

**INSIDE TRACK PRODUCTIONS LLP**

**NOTES TO THE CASH FLOW STATEMENT**

Year ended 5 April 2012

	Year ended 5 April 2012 £	Year ended 5 April 2011 £
<b>A. Reconciliation of operating profit to net cash inflow from operating activities</b>		
Operating profit	175,136	1,038
Decrease in debtors	-	17,814
Decrease in creditors	(4,546)	(2,068)
<b>Net cash inflow from operating activities</b>	<b>170,590</b>	<b>16,784</b>

**B. Analysis of net funds**

	At 5 April 2011 £	Exchange movement £	Cash flow £	At 5 April 2012 £
<b>Cash at bank</b>	<b>78,779</b>	<b>-</b>	<b>84,019</b>	<b>162,798</b>

**C. Reconciliation of net cash flow to movement in net funds**

	Year ended 5 April 2012 £	Year ended 5 April 2011 £
Increase in cash in the year	84,019	13,439
<b>Change in net funds resulting from cash flows</b>	<b>84,019</b>	<b>13,439</b>
Net funds at start of year	78,779	65,369
Foreign exchange loss	-	(29)
<b>Net funds at end of year</b>	<b>162,798</b>	<b>78,779</b>

## INSIDE TRACK PRODUCTIONS LLP

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 5 April 2012

#### 1. ACCOUNTING POLICIES

The Partnership was incorporated in England and Wales as a limited liability partnership under the Limited Liability Partnerships Act 2000

These financial statements are prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards in compliance with the Statement of Recommended Practice on Accounting for limited liability partnerships. The particular accounting policies adopted, which have been applied consistently throughout the current and preceding year, are described below

##### Turnover

Turnover derives from one class of business, the production of films and participation in distribution receipts arising from the sale of those films by the commissioning distributors, and is stated net of Value Added Tax

Turnover is recognised at the fair value of the right to consideration and is not recognised until there is certainty over the right to that consideration

The members do not consider any one part of the worldwide market to be significantly different from any other

##### Taxation

No current or deferred taxation is provided in these financial statements as the liability for taxation falls on the Individual Members

##### Foreign currencies

Transactions denominated in foreign currencies are translated into Sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange ruling at the balance sheet date

##### Going concern

The Partnership is in a net asset position and the members believe that the Partnership will be able to maintain positive cash flows for the foreseeable future. As a result the going concern basis of accounting has been adopted

**INSIDE TRACK PRODUCTIONS LLP****NOTES TO THE FINANCIAL STATEMENTS (Continued)**

Year ended 5 April 2012

**2. OPERATING PROFIT**

The operating profit is stated after charging	2012 £	2011 £
Auditor's remuneration for audit services	2,550	2,550
Adjustment for over provision in prior year	-	(500)
Other professional fees	-	30
	<u>2,550</u>	<u>2,080</u>

Fees payable to the Partnership's auditors for non-audit services provided in the year were £Nil (2011 £Nil)

**3. INTEREST PAYABLE AND SIMILAR COSTS**

	2012 £	2011 £
Foreign exchange loss	-	29

**4. DEBTORS**

	2012 £	2011 £
Trade debtors	1,179	1,179

**5. OTHER CREDITORS**

	2012 £	2011 £
Due to distribute to members	95,765	9,194

**6. INFORMATION RELATING TO MEMBERS**

No member received any salaried remuneration from the Partnership during the year (2011 £Nil)

The average number of members in the year was 144 (2011 144) The average allocation of profit was therefore £1,216 (2011 £7) The maximum profit allocated to any single member was £13,455 (2011 £78)

**INSIDE TRACK PRODUCTIONS LLP**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

Year ended 5 April 2012

**7. RECONCILIATION OF MOVEMENT IN MEMBERS' INTERESTS**

	Members' capital £	Other reserves £	Total members' interests £
Balance at 5 April 2011	68,746,094	(68,682,426)	63,668
Profit for the financial year available for discretionary division among members	-	175,136	175,136
Members' interests after profit for the year	68,746,094	(68,507,290)	238,804
Members' drawings	-	(173,142)	(173,142)
<b>Balance at 5 April 2012</b>	<b>68,746,094</b>	<b>(68,680,432)</b>	<b>65,662</b>

Amounts due to be distributed to members at the year end amounted to £95,765 (2011 £9,914)

**8. RELATED PARTIES**

Trafalgar Film Partner 1 Limited and Trafalgar Film Partner 2 Limited (the Designated Members) and Ingenious Media Investments Limited are all wholly-owned subsidiaries of Ingenious Media Limited. Ingenious Ventures, a division of Ingenious Asset Management Limited, (the Operator), is a wholly-owned subsidiary of Ingenious Asset Management Holdings Limited, which is a subsidiary of Ingenious Media Limited. Ingenious Media Limited is itself a wholly-owned subsidiary of Ingenious Media Holdings plc, the ultimate parent company of the Ingenious Media group.

As at 6 April 2012, Ingenious Capital Management Limited replaced Ingenious Asset Management Limited as the Operator of the Partnership under a deed of novation dated 8 March 2012. Ingenious Capital Management Limited is a wholly-owned subsidiary of Ingenious Media Limited.

During the year, P A McKenna, J L Boyton and D M Reid were all Ordinary Members of the Partnership and directors of the Operator. J L Boyton and D M Reid were also directors of the Designated Members during the year.

There was no change to the capital subscribed by these individuals in the year (2011 £Nil).

**INSIDE TRACK PRODUCTIONS LLP**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

Year ended 5 April 2012

**8. RELATED PARTIES (Continued)**

The profit allocated to these individuals was as follows

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
P A McKenna	4,743	27
J L Boyton	336	2
D M Reid	336	2

There were no material transactions with any related parties in the year (2011 £Nil)

**9. CONTROLLING PARTY**

In the opinion of the members there is no controlling party