

INSIDE TRACK

INSIDE TRACK PRODUCTIONS LLP

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 2014

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Limited Liability Partnership Number: OC303045

INSIDE TRACK PRODUCTIONS LLP

ANNUAL REPORT AND FINANCIAL STATEMENTS 2014

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INSIDE TRACK PRODUCTIONS LLP

MEMBERS' REPORT

Year ended 5 April 2014

The members present the Annual Report and Financial Statements of Inside Track Productions LLP ("the Partnership") for the year ended 5 April 2014.

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 2014 is £3,110 (2013: £255,139).

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 2014

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 Capital 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 2014

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 has been prepared in accordance with the provisions applicable to entities entitled to the small companies exemption. This is in accordance with Part 15 of the Companies Act 2006, as applicable to limited liability partnerships. The Partnership has taken advantage of the exemption for the requirement to disclose an enhanced business review and to prepare a strategic report on the grounds that it is a small entity.

This report was approved by the Designated Members on 25/09/2014 and signed on their behalf by:



TRAFALGAR FILM PARTNER 1 LIMITED

Designated Member

Registered office:
15 Golden Square
London W1F 9JG

Limited Liability Partnership Number: OC303045



TRAFALGAR FILM PARTNER 2 LIMITED

Designated Member

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 2014 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we 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 2014 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 as applied to limited liability partnerships.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSIDE TRACK PRODUCTIONS LLP (Continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Members' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 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.



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

Date: 25 September 2014

INSIDE TRACK PRODUCTIONS LLP

PROFIT AND LOSS ACCOUNT

Year ended 5 April 2014

	NOTES	Year ended 5 April 2014 £	Year ended 5 April 2013 £
Turnover	1	5,405	257,305
Cost of sales		-	-
GROSS PROFIT		5,405	257,305
Operating expenses		(2,250)	(2,025)
OPERATING PROFIT	2	3,155	255,280
Interest payable and similar costs	3	(45)	(141)
PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARE	7	3,110	255,139
RETAINED PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS	7	3,110	255,139

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 2014

	NOTES	5 April 2014 £	5 April 2013 £
CURRENT ASSETS			
Debtors	4	14,821	46,669
Cash at bank		68,366	94,119
		83,187	140,788
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Other creditors	5	(19,735)	(33,734)
Accruals		(2,250)	(2,250)
		(21,985)	(35,984)
NET ASSETS ATTRIBUTABLE TO MEMBERS			
		61,202	104,804
REPRESENTED BY:			
MEMBERS' OTHER INTERESTS			
Members' capital classified as equity under FRS 25	7	68,746,094	68,746,094
Other reserves	7	(68,684,892)	(68,641,290)
TOTAL MEMBERS' OTHER INTERESTS			
		61,202	104,804

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 25 September 2014 and signed on their behalf by:



TRAFALGAR FILM PARTNER 1 LIMITED

Designated Member



TRAFALGAR FILM PARTNER 2 LIMITED

Designated Member

Limited Liability Partnership Number: OC303045

INSIDE TRACK PRODUCTIONS LLP

NOTES TO THE CASH FLOW STATEMENT

Year ended 5 April 2014

	Year ended 5 April 2014 £	Year ended 5 April 2013 £
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A. Reconciliation of operating profit to net cash inflow from operating activities

Operating profit	3,155	255,280
Decrease/(Increase) in debtors	31,848	(45,490)
Increase/ (Decrease) in creditors	335	(300)
Net cash inflow from operating activities	35,338	209,490

B. Analysis of net funds

	At 5 April 2013 £	Exchange movement £	Cash flow £	At 5 April 2014 £
Cash at bank	94,119	(45)	(25,708)	68,366

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

	Year ended 5 April 2014 £	Year ended 5 April 2013 £
(Decrease)/Increase in cash in the year	(25,708)	(68,538)
Change in net funds resulting from cash flows	(25,708)	(68,538)
Net funds at start of year	94,119	162,798
Foreign exchange loss	(45)	(141)
Net funds at end of year	68,366	94,119

INSIDE TRACK PRODUCTIONS LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 5 April 2014

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 2014

2. OPERATING PROFIT

	Year ended 5 April 2014 £	Year ended 5 April 2013 £
The operating profit is stated after charging:		
Auditor's remuneration for audit services	2,250	2,250
Adjustment for over provision in prior year	-	(300)
	<u>2,250</u>	<u>1,950</u>

Fees payable to the Partnership's auditors for non-audit services provided in the year were £Nil (2013: £Nil).

3. INTEREST PAYABLE AND SIMILAR COSTS

	Year ended 5 April 2014 £	Year ended 5 April 2013 £
Foreign exchange loss	45	141

4. DEBTORS

	5 April 2014 £	5 April 2013 £
Trade debtors	14,821	5,360
Accrued income	-	41,309
	<u>14,821</u>	<u>46,669</u>

5. OTHER CREDITORS

	5 April 2014 £	5 April 2013 £
Due to distribute to members	19,400	33,734
VAT payable	335	-
	<u>19,735</u>	<u>33,734</u>

6. INFORMATION RELATING TO MEMBERS

No member received any salaried remuneration from the Partnership during the year (2013: £Nil).

The average number of members in the year was 143 (2013: 144). The average allocation of profit was therefore £22 (2013: £1,772). The maximum profit allocated to any single member was £241 (2013: £19,601).

INSIDE TRACK PRODUCTIONS LLP

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 5 April 2014

7. RECONCILIATION OF MOVEMENT IN MEMBERS' INTERESTS

	Members' capital £	Other reserves £	Total members' other interests £	Loans and Other Amounts Due To Members £	2014 Total members' interests £	2013 Total members' interests £
Balance at 5 April 2013	68,746,094	(68,641,290)	104,804	-	104,804	65,662
Profit for the financial year available for discretionary division among members	-	3,110	3,110	-	3,110	255,139
Members' interests after profit for the year	68,746,094	(68,638,180)	107,914	-	107,914	320,801
Other division of profits	-	(46,712)	(46,712)	46,712	-	-
Members' drawings	-	-	-	(46,712)	(46,712)	(215,997)
Balance at 5 April 2014	68,746,094	(68,684,892)	61,202	-	61,202	104,804

Amounts due to be distributed to members at the year end amounted to £19,400 (2013: £33,732).

8. RELATED PARTIES

During the year the Designated Members and the Operator were wholly-owned subsidiaries 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 group.

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 (2013: £Nil).

INSIDE TRACK PRODUCTIONS LLP

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 5 April 2014

8. RELATED PARTIES (Continued)

The profit allocated to these individuals was as follows:

	2014	2013
	£	£
P A McKenna	85	6,909
J L Boyton	6	490
D M Reid	6	490

There were no material transactions with any related parties in the year (2013: £Nil).

9. CONTROLLING PARTY

In the opinion of the members there is no controlling party.