

INGENIOUS GAMES LLP

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2015



Limited Liability Partnership Number: OC314073

INGENIOUS GAMES LLP

ANNUAL REPORT AND FINANCIAL STATEMENTS

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MEMBERS' REPORT

Year ended 28 February 2015

The members present the Annual Report and Financial Statements of Ingenious Games LLP ("the Partnership") for the year ended 28 February 2015.

Principal activities

The Partnership was formed to conduct an integrated games development business. It draws on a deep pool of talent to develop quality video games. Its strategy has been designed to enable it to operate in the global marketplace through a combination of scale and participation in all aspects of the games development and publishing value chain whilst at the same time adopting a conservative approach to managing risks.

The Partnership has extended the scope of its business to include marketing activities, thus enabling it to increase its return from individual games and deploy capital across activities with different risk profiles.

The Partnership adopts a sophisticated project selection procedure to manage risks from the outset and only develops games where there is a strong likelihood of distribution and where it is able to secure a participation in gross sales receipts from the exploitation of the developed games by games publishers.

Business review and future outlook

The Partnership has commercially released four games as at 28 February 2015 and these continue to be exploited.

MEMBERS' REPORT (CONTINUED)
Year ended 28 February 2015

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 Media Investments 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).

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.

MEMBERS' REPORT (CONTINUED)
Year ended 28 February 2015

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

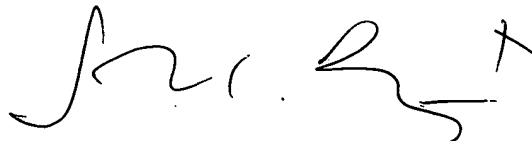
Shipleys LLP are deemed to be re-appointed under Section 487(2) of the Companies Act 2006 as applicable to limited liability partnerships.

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 25/11/ 2015 and signed on their behalf by:



Hastings Games 1 Limited
Designated Member



Hastings Games 2 Limited
Designated Member

Registered office:
15 Golden Square
London W1F 9JG

Limited Liability Partnership Number: OC314073

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INGENIOUS GAMES LLP

We have audited the financial statements of Ingenious Games LLP for the year ended 28 February 2015 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 8. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applicable to limited liability partnerships. Our audit work has been undertaken so that we might state to the 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 Partnership and the Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the members and auditors

As explained more fully in the statement of members' responsibilities, the members are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 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 Partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the members; 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 Partnership's affairs as at 28 February 2015 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 applicable to limited liability partnerships.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INGENIOUS GAMES LLP (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006 as applicable to limited liability partnerships

In our opinion the information given in the Members' Report for the 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 applicable 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
- certain disclosures of members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



S L Joberns (Senior Statutory Auditor)

for and on behalf of Shipleys LLP (Statutory Auditor)
10 Orange Street, Haymarket, London WC2H 7DQ

Date: 27/11/2015

INGENIOUS GAMES LLP

PROFIT AND LOSS ACCOUNT Year ended 28 February 2015

	NOTES	Year ended 28 February 2015 £ '000s	Year ended 28 February 2014 £ '000s
Cost of sales		30	64
GROSS PROFIT		30	64
Operating expenses		(22)	(102)
OPERATING PROFIT/(LOSS)	2	8	(38)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARE	6	8	(38)
RETAINED PROFIT /(LOSS)FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS	6	8	(38)

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.

INGENIOUS GAMES LLP

BALANCE SHEET At 28 February 2015

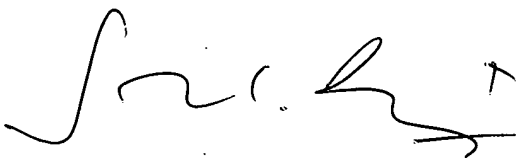
	NOTES	28 February 2015 £ '000s	28 February 2014 £ '000s
CURRENT ASSETS			
Debtors	3	144	8,453
Cash at bank		2,369	2,310
		2,513	10,763
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	5	(2,275)	(2,242)
NET ASSETS ATTRIBUTABLE TO MEMBERS		238	8,521
REPRESENTED BY:			
MEMBERS' OTHER INTERESTS			
Members' capital classified as equity under FRS 25	6	28,917	37,193
Other reserves	6	(28,679)	(28,672)
TOTAL MEMBERS' OTHER INTERESTS	6	238	8,521

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 25/11/2015
2015 and signed on their behalf by:



Hastings Games 1 Limited
Designated Member



Hastings Games 2 Limited
Designated Member

Limited Liability Partnership Number: OC314073

INGENIOUS GAMES LLP**CASH FLOW STATEMENT****Year ended 28 February 2015**

	NOTES	2015 £ '000s	2014 £ '000s
Net cash inflow from operating activities	A	74	208
Members' drawings	6	(15)	(91)
<hr/>			
Net cash inflow before use of liquid resources and financing	C	59	117
Net cash outflow from transactions with members		-	-
<hr/>			
Increase in cash and cash equivalents	C	59	117

The accompanying notes are an integral part of the financial statements.

NOTES TO THE CASH FLOW STATEMENT
Year ended 28 February 2015

A. Reconciliation of operating profit/(loss) to net cash inflow from operating activities	Year ended		Year ended
	28 February	2015	28 February
		2014	
	£ '000s	£ '000s	
Operating profit/(loss)	8	(38)	
Decrease in debtors	33	56	
Increase in creditors	33	190	
Net cash inflow from operating activities	74	208	

B. Analysis of net funds	Cash flow		At 28 February
	At 1 March	2014	2015
	2014		
	£ '000s	£ '000s	£ '000s
Cash at bank	2,310	59	2,369

C. Reconciliation of net cash flow to movement in net funds	Year ended		Year ended
	28 February	2015	28 February
		2014	
	£ '000s	£ '000s	
Increase in cash in the year	59	117	
Movement in net funds resulting from cash flows	59	117	
Net funds at start of year	2,310	2,193	
Net funds at end of year	2,369	2,310	

NOTES TO THE FINANCIAL STATEMENTS
Year ended 28 February 2015

1. ACCOUNTING POLICIES

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

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards. The financial statements are prepared in accordance with the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and Statement of Recommended Practice 'Accounting by Limited Liability Partnerships 2006'. The particular accounting policies adopted are described below:

Taxation

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

Long-term contracts

Long-term contract balances represent costs incurred on specific contracts, net of amounts transferred to cost of sales in respect of work recorded as turnover, less foreseeable losses and payments on account not matched with turnover. Provision is made for the full amount of foreseeable losses on contracts.

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.

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.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Partnership after deducting all of its liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 28 February 2015

1. ACCOUNTING POLICIES (Continued)

Joint arrangement not an entity ('JANE')

The Partnership entered into a games services agreement with Ingenious Media Services Limited, to source and undertake various non-development activities on its behalf. The Partnership maintains a right of approval over any such transactions entered into on its behalf and also over the uses of such funds advanced until such opportunities arise.

In the view of the members the above arrangement constitutes a JANE, as defined by FRS 9 *Associates and Joint Ventures*. Accordingly, all transactions entered into by Ingenious Media Services Limited under the games services agreement are recorded in the Partnership's financial statements to correctly reflect the substance of those transactions.

2. OPERATING PROFIT/(LOSS)

	Year ended 28 February 2015 £ '000s	Year ended 28 February 2014 £ '000s
The operating profit/(loss) is stated after charging:		
Auditors' remuneration for audit services	5	3
	<hr/> 5	<hr/> 3

Fees payable to the Partnership's auditors for non-audit services provided in the year were £Nil (year ended 28 February 2014: £Nil).

3. DEBTORS

	Year ended 28 February 2015 £ '000s	Year ended 28 February 2014 £ '000s
Other debtors	144	177
Unpaid capital contributions	-	8,276
	<hr/> 144	<hr/> 8,453

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 28 February 2015

4. INFORMATION RELATING TO MEMBERS

No members received any salaried remuneration from the Partnership during the year (year ended 28 February 2014: £Nil).

The average number of members during the year was 3 (year ended 28 February 2014: 3). The average allocation of profit was therefore £2,758 (year ended 28 February 2014: Loss £12,680). The maximum profit allocated to a member was £8,273 (year ended 28 February 2014: Loss £38,041).

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	Year ended 28 February 2015 £ '000s	Year ended 28 February 2014 £ '000s
Trade creditors	131	131
Other creditors	2,131	2,101
Accruals	13	10
	2,275	2,242

6. RECONCILIATION OF MOVEMENT IN MEMBERS' INTERESTS

	2015				2014	
	Members' capital	Other reserves	Total members' other interests	Loans and other debts due to members	Total members' interests	Total members' interests
	£ '000s	£ '000s	£ '000s	£ '000s	£ '000s	£ '000s
Balance at the start of the year	37,193	(28,672)	8,521	-	8,521	8,650
Profit/(Loss) for the financial year	-	8	8	-	8	(38)
Members' interests after profit for the year	37,193	(28,664)	8,529	-	8,529	8,612
Capital repayments to members	(8,276)	-	(8,276)	-	(8,276)	-
Members' drawings	-	(15)	(15)	-	(15)	(91)
Balance at the end of the year	28,917	(28,679)	238	-	238	8,521

In the event of a winding up the Partnership's creditors are paid from any surplus assets prior to their distribution to the members.

Amounts due to be distributed to members at the year end amounted to £1,065,485 (year ended 28 February 2014: £1,050,485).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 28 February 2015

7. RELATED PARTY DISCLOSURES

P A McKenna and D M Reid, who were all members of the Executive Committee during the year, were also directors of Ingenious Media Investments Limited (the Operator) during the year. D M Reid was also a director of Hastings Games 1 Limited and Hastings Games 2 Limited (the Designated Members), Ingenious Games Limited (the Corporate Member), Ingenious Media Services Limited, Ingenious Games Services Limited, Ingenious Resources Limited and Ingenious Treasury Services Limited during the year. P A McKenna and D M Reid were also directors of Ingenious Asset Management Limited during the year.

All of the above-named companies, with the exception of Ingenious Asset Management Limited, are wholly-owned subsidiaries of Ingenious Media Limited, which is itself a wholly-owned subsidiary of Ingenious Media Holdings plc. Ingenious Asset Management Limited is a wholly owned subsidiary of Ingenious Asset Management Holdings Limited, which is a subsidiary of Ingenious Media Limited. The Group is under the control of P A McKenna.

P A McKenna, D M Reid, D Austin, A J Pisker and M Thomas were members of the Executive Committee during the year. Annuities due to these members as at the year end are as follows:

Member	Annuity due £
P A McKenna	3,993
D M Reid	3,993
D Austin	8,983
A Pisker	83,178

P A McKenna, D M Reid, D Austin, A Pisker and J L Boyton retired from the Partnership on 6 April 2011.

During a prior period Ingenious Games Limited made an investment of £26,686,885 into the Partnership. As at the year end capital of £nil remained unpaid (year ended 28 February 2014: £8,275,975).

8. CONTROLLING PARTY

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