
EON PRODUCTIONS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

EON PRODUCTIONS LIMITED

COMPANY INFORMATION

Directors	James Higgins MBE Michael Wilson OBE Barbara Broccoli OBE (appointed 1 January 2016)
Company secretary	John Roebuck
Registered number	00697555
Registered office	Regina House 124 Finchley Road London NW3 5JS
Trading Address	Eon House 138 Piccadilly London W1J 7NR
Independent auditors	Nyman Libson Paul Chartered Accountants & Statutory Auditors Regina House 124 Finchley Road London NW3 5JS

EON PRODUCTIONS LIMITED

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EON PRODUCTIONS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

Introduction

The principal activity of the company and its group is film production and ancillary activities.

During the year the group was involved in the production of the film "Film Stars Don't Die in Liverpool".

Business review

The directors consider the results of the group for the year to be in line with expectations. The results for the year were considered satisfactory by the directors who anticipate continued growth and profitability in the foreseeable future.

Principal risks and uncertainties

The management of the business and the process of film production are subject to a number of risks. The key business risks and uncertainties affecting the group are considered to relate to the normal commercial risks involved in the production of a film and the delivery of it at the required time.

The principal financial instruments of the group comprise bank balances, debtors and creditors. The main purpose of these instruments is to raise funds to finance the group's operations.

In respect of bank balances, liquidity risk is managed by actively monitoring balances and ensuring that funds are in place to meet liabilities as and when they fall due.

Debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Currency risk is managed by monitoring movements in exchange rates in an effort to reduce any negative impact of those movements.

Financial key performance indicators

Given the nature of the business, the directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

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

Michael Wilson OBE
Director

Date: 28 September 2017

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their report and the financial statements for the year ended 31 December 2016.

Directors

The directors who served during the year were:

James Higgins MBE
Michael Wilson OBE
Barbara Broccoli OBE (appointed 1 January 2016)

Results and dividends

The profit for the year, after taxation, amounted to £345,733 (2015 - £777,565).

The company did not pay a dividend during the year.

Directors' responsibilities statement

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

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 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Matters covered in the strategic report

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report. These matters relate to financial instruments and future developments.

EON PRODUCTIONS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

Disclosure of information to auditors

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 and the Group's auditors are 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 and the Group's auditors are aware of that information.

Auditors

Under section 487(2) of the Companies Act 2006, Nyman Libson Paul will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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

Michael Wilson OBE

Director

Date: 28 September 2017

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EON PRODUCTIONS LIMITED

We have audited the financial statements of Eon Productions Limited for the year ended 31 December 2016, set out on pages 6 to 24. The relevant financial reporting framework that has been applied in their preparation is applicable law and the 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'.

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 Directors' Responsibilities Statement on page 2, 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 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 Financial Reporting Council'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 Group's and the parent 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. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Directors' 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 Group's and the parent company's affairs as at 31 December 2016 and of the Group's profit or loss 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EON PRODUCTIONS LIMITED (CONTINUED)

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 Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report and 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 Dias (Senior Statutory Auditor)

for and on behalf of

Nyman Libson Paul

Chartered Accountants
Statutory Auditors

Regina House
124 Finchley Road
London
NW3 5JS

28 September 2017

EON PRODUCTIONS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
Turnover	4	14,318,322	191,755,879
Cost of sales		(14,322,227)	(214,169,706)
Gross loss		(3,905)	(22,413,827)
Administrative expenses		(7,550,960)	(7,249,279)
Other operating income	5	118,861	126,151
Operating loss	6	(7,436,004)	(29,536,955)
Amounts written off unlisted investments		(121,292)	(250,851)
Interest receivable and similar income	9	3,085	40,911
Interest payable and similar charges	10	(873)	-
Loss before taxation		(7,555,084)	(29,746,895)
Tax on loss	11	7,900,817	30,524,460
Profit for the year		<u>345,733</u>	<u>777,565</u>
Owners of the parent company		345,733	777,565
		<u>345,733</u>	<u>777,565</u>

There were no recognised gains and losses for 2016 or 2015 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2016 (2015:£NIL).

The notes on pages 12 to 24 form part of these financial statements.

EON PRODUCTIONS LIMITED
REGISTERED NUMBER: 00697555

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets		384,381	360,218
Investments		500,000	50,000
		<u>884,381</u>	<u>410,218</u>
Current assets			
Debtors due within 1 year		3,120,476	5,723,724
Investments		284,243	283,750
Cash at bank and in hand	18	3,472,672	3,347,667
		<u>6,877,391</u>	<u>9,355,141</u>
Creditors: amounts falling due within one year	19	(5,680,339)	(8,029,659)
Net current assets		<u>1,197,052</u>	<u>1,325,482</u>
Net assets		<u>2,081,433</u>	<u>1,735,700</u>
Capital and reserves			
Called up share capital	20	2	2
Capital redemption reserve		2,133	2,133
Profit and loss account		2,079,298	1,733,565
Shareholders' funds		<u>2,081,433</u>	<u>1,735,700</u>

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

Michael Wilson OBE
Director

Date: 28 September 2017

The notes on pages 12 to 24 form part of these financial statements.

EON PRODUCTIONS LIMITED
REGISTERED NUMBER: 00697555

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	13	380,437	355,578
Investments	14	500,700	600
		<u>881,137</u>	<u>356,178</u>
Current assets			
Debtors: amounts falling due within one year	16	1,503,398	1,696,369
Current asset investments	17	284,243	283,750
Cash at bank and in hand	18	145,073	426,347
		<u>1,932,714</u>	<u>2,406,466</u>
Creditors: amounts falling due within one year	19	(783,024)	(1,139,456)
Net current assets		<u>1,149,690</u>	<u>1,267,010</u>
Net assets		<u><u>2,030,827</u></u>	<u><u>1,623,188</u></u>
Capital and reserves			
Called up share capital	20	2	2
Capital redemption reserve		2,133	2,133
Profit and loss account		2,028,692	1,621,053
Shareholders' funds		<u><u>2,030,827</u></u>	<u><u>1,623,188</u></u>

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

Michael Wilson OBE
Director

Date: 28 September 2017

The notes on pages 12 to 24 form part of these financial statements.

EON PRODUCTIONS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital	Capital redemption reserve	Profit and loss account	Equity attributable to owners of parent company	Total equity
	£	£	£	£	£
At 1 January 2015	2	2,133	956,000	958,135	958,135
Comprehensive income for the year					
Profit for the year	-	-	777,565	777,565	777,565
Total comprehensive income for the year	-	-	777,565	777,565	777,565
At 1 January 2016	2	2,133	1,733,565	1,735,700	1,735,700
Comprehensive income for the year					
Profit for the year	-	-	345,733	345,733	345,733
Total comprehensive income for the year	-	-	345,733	345,733	345,733
At 31 December 2016	<u>2</u>	<u>2,133</u>	<u>2,079,298</u>	<u>2,081,433</u>	<u>2,081,433</u>

EON PRODUCTIONS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2015	2	2,133	586,806	588,941
Comprehensive income for the year				
Profit for the year	-	-	1,034,247	1,034,247
Total comprehensive income for the year	-	-	1,034,247	1,034,247
At 1 January 2016	2	2,133	1,621,053	1,623,188
Comprehensive income for the year				
Profit for the year	-	-	407,639	407,639
Total comprehensive income for the year	-	-	407,639	407,639
At 31 December 2016	<u>2</u>	<u>2,133</u>	<u>2,028,692</u>	<u>2,030,827</u>

EON PRODUCTIONS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016 £	2015 £
Cash flows from operating activities		
Profit for the financial year	345,733	777,565
Adjustments for:		
Depreciation of tangible assets	115,741	107,104
Impairment of unlisted investments	120,692	300,851
Decrease in stocks	-	41,824,178
Interest paid	873	-
Interest received	(3,085)	(40,911)
Taxation	(7,900,817)	(30,524,460)
Increase / (decrease) in debtors	2,603,248	(2,177,067)
Decrease in creditors	(2,379,296)	(41,424,441)
Corporation tax	7,930,793	30,600,546
Net cash generated from operating activities	<u>833,882</u>	<u>(556,635)</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(139,904)	(104,440)
Purchase of unlisted and other investments	(500,000)	-
Sale of unlisted and other investments	-	9,149
Purchase of short term unlisted investments	(162,210)	(119,594)
Sale of short term unlisted investments	91,025	450,000
Interest received	3,085	40,911
Net cash from investing activities	<u>(708,004)</u>	<u>276,026</u>
Cash flows from financing activities		
Interest paid	(873)	-
Net cash used in financing activities	<u>(873)</u>	<u>-</u>
Net increase in cash and cash equivalents	125,005	(280,609)
Cash and cash equivalents at beginning of year	3,347,667	3,628,276
Cash and cash equivalents at the end of year	<u><u>3,472,672</u></u>	<u><u>3,347,667</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,472,672	3,347,667
	<u><u>3,472,672</u></u>	<u><u>3,347,667</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. General information

Eon Productions Limited is a private company limited by shares and incorporated in the United Kingdom. The address of its registered office is Regina House, 124 Finchley Road, London, NW3 5JS and the address of its principal place of business is Eon House, 138 Piccadilly, London, W1J 7NR.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ('FRS 102') and the Companies Act 2006.

The financial statements are presented in sterling (£).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The group financial statements consolidate the financial statements of Eon Productions Limited and all its subsidiary undertakings drawn up to 31 December each year.

The consolidated financial statements incorporate the financial statements of the company and its entities controlled by the group. Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

2.3 Going concern

After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of all tangible fixed assets over their expected useful lives on the following basis:

Plant & Equipment	-	15%	on written down value
Motor vehicles	-	25%	on written down value
Fixtures & fittings	-	10%	and 16.67% on cost
Computer equipment	-	50%	on cost

2.5 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss account on a straight line basis over the lease term.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments held as fixed asset investments are shown at cost less provision for impairment.

2.7 Debtors

Short term debtors are measured at cost less accumulated impairment.

2.8 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.

2.9 Creditors

Short term creditors are measured at the transaction price.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.10 Revenue

Turnover is measured at the fair value of the consideration received or receivable, net of value added tax. Turnover includes revenue earned from film production, recharged costs and from the sale of merchandise.

Film production

A production fee is earned during the production of each feature film and is recognised evenly over the entire production period. Once the production of the feature film has been completed, the film is sold for a price equal to the total cost of production less the amount received in respect of UK Film Tax Credits.

Recharged costs

Certain administrative costs are recharged in line with an approved contract on a quarterly basis.

Merchandising income

The company operates as a licensing agent in respect of the group's merchandising deals. The company receives the gross merchandising receipts from its worldwide agents before deducting and paying out the various amounts owed to participants in line with their contracted rates.

2.11 Foreign currency translation

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates. These, and the results and financial position reported in the consolidated financial statements, are presented in Sterling (£).

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are recognised in profit or loss in the period in which they arise.

Exchange differences on production costs have been offset against production advances on the balance sheet. Other exchange gains and losses are recognised in the profit and loss account.

2.12 Taxation

Tax is recognised in the Consolidated 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 reporting date in the countries where the company and the group operate and generate income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following are the group's key sources of estimation uncertainty:

Tangible assets

Tangible assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending upon a number of factors. In re-assessing the assets' lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

Investments

At each reporting date the investments are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected investment is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Due to the unpredictable nature of the recoverability of investments, an impairment loss may subsequently reverse. If so, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, without going in excess of the amount which would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment, management considers factors including the ageing profile and historical experience of each debtor.

Accruals

The company makes an estimate of accruals at the year end based on invoices received after the year end and work undertaken which has not been invoiced based on quotations or estimates of amounts that may be due for payment.

4. Analysis of Turnover

In the opinion of the directors, it would seriously prejudice the company's interests to disclose the turnover by each class and provide a geographical analysis.

5. Other operating income

	2016 £	2015 £
Management fees and sundry income	118,861	126,151
	<u>118,861</u>	<u>126,151</u>

EON PRODUCTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

6. Operating loss

The operating loss is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	115,741	107,104
Fees payable to the Group's auditor and its associates for the audit of the company's annual financial statements	15,000	14,525
Exchange differences	<u>(3,429)</u>	<u>15,139</u>

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	5,519,949	6,067,335
Social security costs	718,647	804,507
	<u>6,238,596</u>	<u>6,871,842</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
Administration	21	20
Production	30	195
	<u>51</u>	<u>215</u>

The total employee benefits of the key management personnel of Eon Productions Limited and its group were £4,774,656 (2015: £4,710,582).

EON PRODUCTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

8. Directors' remuneration

	2016 £	2015 £
Directors' remuneration	3,606,053	1,602,041
	<u>3,606,053</u>	<u>1,602,041</u>

The highest paid director received remuneration of £2,078,306 (2015 - £1,575,563)

9. Interest receivable

	2016 £	2015 £
Other interest receivable	3,085	40,911
	<u>3,085</u>	<u>40,911</u>

10. Interest payable and similar charges

	2016 £	2015 £
Other interest payable	873	-
	<u>873</u>	<u>-</u>

EON PRODUCTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

11. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	(7,900,817)	(30,524,460)
	<u>(7,900,817)</u>	<u>(30,524,460)</u>
Double taxation relief	(2,899)	(31,485)
	<u>(7,903,716)</u>	<u>(30,555,945)</u>
Foreign tax		
Foreign tax on income for the year	2,899	31,485
	<u>2,899</u>	<u>31,485</u>
Total current tax	<u>(7,900,817)</u>	<u>(30,524,460)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>(7,555,084)</u>	<u>(29,746,895)</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	(1,511,017)	(5,949,379)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	26,973	11,325
Depreciation and loss on disposal of assets	23,009	21,421
Capital allowances	(34,537)	(28,883)
Amount written back off investments	14,258	50,370
Alignment of tax rates	7,283	2,346
Enhanced losses arising from UK Film Tax Credit	(6,426,786)	(24,586,660)
Difference between the rate of corporation tax and the rate of relief under UK Film Tax Credit	-	(45,000)
Total tax charge for the year	<u>(7,900,817)</u>	<u>(30,524,460)</u>

EON PRODUCTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

12. Parent company profit for the year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent company for the year was £407,639 (2015 - £1,034,247)

13. Tangible fixed assets**Group**

	Motor vehicles £	Plant, equipment & fixtures £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2016	32,500	1,704,045	177,460	1,914,005
Additions	-	98,860	41,044	139,904
At 31 December 2016	32,500	1,802,905	218,504	2,053,909
Depreciation				
At 1 January 2016	27,435	1,379,829	146,523	1,553,787
Charge for the period on owned assets	1,267	63,015	51,459	115,741
At 31 December 2016	28,702	1,442,844	197,982	1,669,528
Net book value				
At 31 December 2016	3,798	360,061	20,522	384,381
At 31 December 2015	5,065	324,216	30,937	360,218

EON PRODUCTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

13. Tangible fixed assets (continued)

Company

	Motor vehicles £	Plant, equipment & fixtures £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2016	32,500	1,687,061	177,460	1,897,021
Additions	-	98,860	41,044	139,904
At 31 December 2016	32,500	1,785,921	218,504	2,036,925
Depreciation				
At 1 January 2016	27,435	1,367,485	146,523	1,541,443
Charge for the period on owned assets	1,267	62,319	51,459	115,045
At 31 December 2016	28,702	1,429,804	197,982	1,656,488
Net book value				
At 31 December 2016	3,798	356,117	20,522	380,437
At 31 December 2015	5,065	319,576	30,937	355,578

EON PRODUCTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

14. Fixed asset investments

Group

	Other fixed asset investments £
Cost or valuation	
At 1 January 2016	50,000
Additions	500,000
At 31 December 2016	<u>550,000</u>
Impairment	
Charge for the period	50,000
At 31 December 2016	<u>50,000</u>
Net book value	
At 31 December 2016	<u>500,000</u>
At 31 December 2015	<u>50,000</u>

Company

	Investments in subsidiary companies £	Unlisted investments £	Total £
Cost or valuation			
At 1 January 2016	600	-	600
Additions	200	500,000	500,200
Disposals	(100)	-	(100)
At 31 December 2016	<u>700</u>	<u>500,000</u>	<u>500,700</u>
Net book value			
At 31 December 2016	<u>700</u>	<u>500,000</u>	<u>500,700</u>
At 31 December 2015	<u>600</u>	<u>-</u>	<u>600</u>

EON PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

15. Principal subsidiaries

Company name	Country	Percentage Shareholding	Description
The Eon Screen Writers' Workshop Limited	England and Wales	100	Artistic & literary creation
B23 Limited	England and Wales	100	Dormant
B24 Limited	England and Wales	100	Film production
B25 Limited	England and Wales	100	Dormant
Frozen Film Company Limited	England and Wales	100	Dormant
Bad & Beautiful Productions Limited	England and Wales	100	Dormant
Rhythm Section Productions Limited	England and Wales	100	Dormant

16. Debtors

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade debtors	305,033	366,879	73,768	366,879
Other debtors	2,427,808	4,433,670	1,041,995	406,315
Prepayments and accrued income	387,635	923,175	387,635	923,175
	<u>3,120,476</u>	<u>5,723,724</u>	<u>1,503,398</u>	<u>1,696,369</u>

17. Current asset investments

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Unlisted investments	284,243	283,750	284,243	283,750
	<u>284,243</u>	<u>283,750</u>	<u>284,243</u>	<u>283,750</u>

18. Cash and cash equivalents

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Cash at bank and in hand	3,472,672	3,347,667	145,073	426,347
	<u>3,472,672</u>	<u>3,347,667</u>	<u>145,073</u>	<u>426,347</u>

EON PRODUCTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

19. Creditors: Amounts falling due within one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade creditors	234,486	548,206	234,486	548,206
Corporation tax	132,665	102,689	132,665	102,689
Taxation and social security	385,100	433,293	379,677	433,293
Other creditors	4,913,088	88,847	21,196	40,268
Accruals and deferred income	15,000	6,856,624	15,000	15,000
	<u>5,680,339</u>	<u>8,029,659</u>	<u>783,024</u>	<u>1,139,456</u>

20. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
201 Ordinary shares of £0.01 each	<u>2</u>	<u>2</u>

21. Commitments under operating leases

At 31 December 2016 the Group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Not later than 1 year	257,732	333,300	257,732	333,300
Later than 1 year and not later than 5 years	379,683	637,415	379,683	637,415
Total	<u>637,415</u>	<u>970,715</u>	<u>637,415</u>	<u>970,715</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

22. Related party transactions

Turnover includes £8,029,163 (2015: £189,292,356) arising from transactions with Danjaq LLC, a company whose directors are closely connected with the directors of Eon Productions Limited. The amount due from Danjaq LLC at the balance sheet date was £921,770 (2015: £338,908).

Eon Productions Limited paid rent and service charge totalling £383,623 (2015: £383,066) to Audley Productions Inc, a company whose directors are closely connected with the directors of Eon Productions Limited. Eon Productions Limited received £31,240 (2015: £51,851) of management and other fees from Audley Productions Inc.

During the year, Eon Productions Limited acquired a 6.6% investment in Punchdrunk Global Ltd, a company of which B Broccoli OBE is a director, paying a consideration of £500,000 for 5000 shares.

Eon Productions Limited invested £10,600 (2015: £5,000) in Strangers (UK) Limited and £nil (2015: £50,000) in Once (UK) Limited, companies of which B Broccoli OBE is a director. During the year, £15,600 (2015: £nil) was written off the Strangers (UK) Limited investment, leaving £nil (2015: £5,000) to be repaid to Eon Productions Limited at the year end. £82,500 was recovered from Once (UK) Limited, leaving £nil (2015: £50,000) outstanding from Once (UK) Limited.

Eon Productions Limited has a cross guarantee with the bankers of B23 Limited and B24 Limited.

The company is exempt from disclosing other related party transactions as they are with companies which are wholly owned within the group.

23. Controlling party

The company is under the control of Barbara Broccoli OBE and Michael Wilson OBE. There is no ultimate controlling party.