

RSA FILMS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2016

RSA FILMS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

DIRECTORS

K HSIUNG
D GARVEY
L SCOTT
J SCOTT

SECRETARY

RWL Registrars Limited

REGISTERED OFFICE

52 Redington Road
London
NW3 7RS

COMPANY REGISTERED NUMBER

01761486

AUDITORS

Shulman & Company
Registered Auditor
52 Redington Road
London
NW3 7RS

RSA FILMS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

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The following do not form part of the Statutory Financial Statements:

20	Trading and Profit and Loss Account
21-22	Profit and Loss Account Summaries

RSA FILMS LIMITED
STRATEGIC REPORT
FOR YEAR ENDED 30 SEPTEMBER 2016

The Directors present their Strategic Report for the year ended 30 September 2016 and subsequently.

REVIEW OF THE BUSINESS

The Results for the year are set out on page 8.

Trading was reduced from the previous year.

The Directors consider this satisfactory given market conditions.

PRINCIPAL RISKS AND UNCERTAINTIES

There are always fluctuations in business activity in the industry within which we operate and competition remains as keen as ever. This Company has a sound base built up over many years with very experienced management and staff. New talent is always being introduced, supported and encouraged by the Directors as part of their strategy for the Company's future development.

ON BEHALF OF THE BOARD:

L SCOTT - Director

Date: 23/06/2017

RSA FILMS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2016

The Directors present their Report and the audited Financial Statements of the Company for the year ended 30 September 2016.

DIRECTORS RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with applicable law and regulations. Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these Financial Statements, the Directors are required to: 1) select suitable accounting policies and then apply them consistently. 2) make judgements and accounting estimates that are reasonable and prudent. 3) prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business. The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF DISCLOSURE TO AUDITORS

The Directors of the Company who held office on the date of approval of this annual report confirm that: a) so far as they are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the Company's Auditors are unaware; and b) they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the year were those of Film Production.

RESULTS AND DIVIDENDS

	2016	2015
	£	£
Profit after tax for the year	84,337	224,390
The Directors do not recommend the payment of a Dividend.		

RSA FILMS LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2016

DIRECTORS

The Directors who served during the year and subsequently were as follows:

R SCOTT (Resigned 27/01/2017)

K HSIUNG

D GARVEY

L SCOTT (Appointed 24/01/2017)

J SCOTT (Appointed 24/01/2017)

AUDITORS

The Auditors, Shulman & Company, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This Report was approved by the Board on 23/06/2017 and signed on their behalf.

Signed
L SCOTT

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF
RSA FILMS LIMITED
FOR THE YEAR ENDED 30 SEPTEMBER 2016

We have audited the Financial Statements of RSA Films Limited for the year ended 30 September 2016 which comprise Profit and Loss Account, Balance Sheet, Cash Flow Statement, Reconciliation of Movements in Shareholders' Funds and the related notes. 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 Company's Members, as a body, in accordance with section 495 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, 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 Auditing Practices Boards (APBs) Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

A description of the scope of an audit of Financial Statements is provided on the APBs web-site.

Opinion on Financial Statements

In our opinion the Financial Statements: 1) give a true and fair view of the state of the Company's affairs as at 30 September 2016 and of its profit for the year then ended; 2) have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and 3) have been properly prepared in accordance with the requirements of the Companies Act 2006.

INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE SHAREHOLDERS OF
RSA FILMS LIMITED
FOR THE YEAR ENDED 30 SEPTEMBER 2016

Opinion on Other Matters Prescribed by the Companies Act 2006

In our opinion the information given in the Directors Report for the financial year 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 requires us to report to you if, in our opinion:

- 1) adequate accounting records have not been kept; or
- 2) the Financial Statements are not in agreement with the accounting records; or
- 3) certain disclosures of Directors remuneration specified by law are not made; or
- 4) we have not received all the information and explanations we require for our audit.

Neville Shulman, (Senior Statutory Auditor)
for and on behalf of Shulman & Company, Statutory Auditors

52 Redington Road
London
NW3 7RS
26/06/2017

RSA FILMS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Note	2016 £	2015 £
TURNOVER	2		
Continuing Operations		19,356,055	23,369,782
Cost of Sales		<u>(17,050,044)</u>	<u>(20,728,075)</u>
GROSS PROFIT		2,306,011	2,643,707
Net Operating Expenses		<u>(2,300,062)</u>	<u>(2,463,894)</u>
OPERATING PROFIT	3		
Continuing Operations		5,949	179,813
Interest Receivable	5	5,824	5,799
Rent Receivable		<u>119,003</u>	<u>119,003</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		130,776	304,615
Tax on Ordinary Activities	6	<u>(46,439)</u>	<u>(80,225)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>£84,337</u>	<u>£224,390</u>

The Company made no recognised gains or losses other than those reported in the Profit and Loss Account.

The Notes on pages 11-19 form part of these Financial Statements.

RSA FILMS LIMITED

Company Registered Number: 01761486

BALANCE SHEET AT 30 September 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Tangible Assets	7	21,925	33,220
Investments	8	2,765	3,000
		24,690	36,220
CURRENT ASSETS			
Debtors	9	3,380,341	4,617,121
Investment	10	500	500
Cash at Bank and In Hand		2,710,967	3,262,404
		6,091,808	7,880,025
CREDITORS: Amounts falling due within one year	11	3,043,902	4,927,986
NET CURRENT ASSETS		3,047,906	2,952,039
NET ASSETS		£3,072,596	£2,988,259
CAPITAL AND RESERVES			
Called up Share Capital	12	12	12
Profit and Loss Account	13	3,072,584	2,988,247
SHAREHOLDERS FUNDS		£3,072,596	£2,988,259

The Accounts were approved by the Board of Directors on 23/06/2017

L SCOTT, Director

The Notes on pages 11-19 form part of these Financial Statements.

RSA FILMS LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Note	2016 £	2015 £
Net Cash (Outflow)/Inflow from Operating Activities	15	(10,286)	40,987
Returns on Investments			
Interest received		5,824	5,799
		5,824	5,799
Taxation			
UK Corporation Tax		(80,256)	(75,491)
		(80,256)	(75,491)
Capital Expenditure			
Purchase of Tangible Fixed Assets		(10,054)	(17,602)
Purchase of investments		(2,765)	(3,000)
Sale of investments		3,000	-
		(9,819)	(20,602)
		(94,537)	(49,307)
Financing			
(Decrease)/Increase in Payments Received on Account		(456,900)	545,575
		(456,900)	545,575
(Decrease)/Increase in Cash in the year		(551,437)	496,268
Reconciliation of Net Cash Flow to Movement in Net Debt	18		
(Decrease)/Increase in Cash in the year		(551,437)	496,268
Cash (Out)/Inflow from Debt		(456,900)	545,575
Movement in Net Debt		(94,537)	(49,307)
Net Funds at 1 October 2015		2,405,564	2,454,871
Net Funds at 30 September 2016		2,311,027	2,405,564

The Notes on pages 11-19 form part of these Financial Statements.

RSA FILMS LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

1. ACCOUNTING POLICIES

1a. Basis of Accounting

The Financial Statements have been prepared under the historical cost convention.

1b. Tangible Fixed Assets

Fixed Assets are shown at historical cost.

Depreciation is provided as follows:

Short Leasehold Properties	Straight Line Over 5 years
Plant and Machinery	Straight Line Over 4 years
Fixtures, Fittings and Equipment	Straight Line Over 3 years

1c. Investments

Fixed asset investments are shown at cost less amounts written off. Provisions are made for temporary fluctuations in value.

1d. Work in Progress

No provision is included due to the provisions of UITF 40

1e. Taxation

Corporation Tax payable is provided on taxable profits at the current rate.

1f. Foreign currency

Transactions in foreign currencies are recorded at exchange rates prevailing at the date of the transaction. Balances in foreign currency are converted at the rate of exchange prevailing at the Balance Sheet date. Exchange differences are written off in the Profit and Loss Account.

RSA FILMS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2016

1. ACCOUNTING POLICIES (CONTINUED)

1g. Turnover

Turnover comprises the value of sales (excluding VAT) of services in the normal course of business.

2. TURNOVER

Turnover and profit on ordinary activities pre taxation are attributable to the Company's main activity of Film Production

The geographical analysis of turnover is as follows:

United Kingdom 73%
 European Community 15%
 United States 5%
 Rest of the World 7%

3. OPERATING PROFIT

	2016 £	2015 £
Profit on Ordinary Activities is stated after charging:		
Auditors' Remuneration:		
Audit services	14,260	16,940
Non-audit services	4,304	1,592
Depreciation and Amortisation		
Tangible Assets owned	21,349	18,472
	-	-
and after crediting:		
Rent Receivable	119,003	119,003
Bank Interest Received	5,824	5,799
	-	-

RSA FILMS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2016

4. DIRECTORS AND EMPLOYEES

Particulars of Employees (including Directors) are shown below:

Employee Costs during the year amounted to:	2016	2015
	£	£
Wages and Salaries	1,730,024	2,087,821
Social Security Costs	210,765	245,161
	<hr/> £2,332,982	<hr/> £2,150,495

The average weekly number of employees during the year was as follows:

	2016	2015
	No.	No.
Management and Administration	7	8
Production	21	23
	<hr/> 28	<hr/> 31

Directors' Remuneration:

	2016	2015
	£	£
Remuneration	<hr/> £398,472	<hr/> £485,335
Highest paid Director's Emoluments	<hr/> £285,472	<hr/> £329,855

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2016	2015
	£	£
Bank Interest Received	5,824	5,799
	<hr/> £5,824	<hr/> £5,799

RSA FILMS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2016

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2016	2015
	£	£
UK Corporation tax	46,439	80,256
	<hr/> 46,439	<hr/> 80,256
Adjustment of current taxation in respect of prior years	-	(31)
	<hr/> £46,439	<hr/> £80,225

The tax assessed for the year differs from the average standard rate of UK taxation applicable to the Company of 20% less Marginal Relief (2015 - 20.5% less Marginal Relief). The differences are explained below:

Profit on ordinary activities before tax	£130,776	£304,615
Profit on ordinary activities multiplied by the average standard rate of 20% less Marginal Relief (2015 - 20.5% less Marginal Relief)	26,809	65,342
Expenses not deductible for tax purposes less Capital Allowances	17,810	11,109
Adjustments to tax charge in respect of prior years	-	(31)
Current tax charge for the period	<hr/> £46,439	<hr/> £80,225
	=====	=====

DEFERRED TAXATION

No provision is considered necessary due to immateriality.

RSA FILMS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2016

7. TANGIBLE FIXED ASSETS

	Short Leasehold £	Plant & Machinery £	Fixtures & Equipment £	Total £
Cost				
At 1 October 2015	17,057	140,191	149,213	306,461
Additions	-	-	10,054	10,054
At 30 September 2016	17,057	140,191	159,267	316,515
Depreciation				
At 1 October 2015	17,057	140,105	116,079	273,241
For the year	-	86	21,263	21,349
At 30 September 2016	17,057	140,191	137,342	294,590
Net Book Amounts				
At 30 September 2016	-	-	21,925	21,925
At 30 September 2015	-	86	33,134	33,220

RSA FILMS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2016

8. FIXED ASSET INVESTMENTS

	Net Amount Due From Group Company £	Total £
Cost or valuation		
At 1 October 2015	3,000	3,000
Additions	2,765	2,765
Repaid	(3,000)	(3,000)
At 30 September 2016	<u>2,765</u>	<u>2,765</u>
Amounts written off		
At 30 September 2016	<u>-</u>	<u>-</u>
Net Book Amounts		
At 30 September 2016	<u>2,765</u>	<u>2,765</u>
At 30 September 2015	<u>3,000</u>	<u>3,000</u>

9. DEBTORS

	2016 £	2015 £
Trade Debtors	3,216,324	4,417,419
Prepayments	108,748	183,899
Other Debtors	55,269	15,803
	<u>£3,380,341</u>	<u>£4,617,121</u>

10. CURRENT ASSET INVESTMENTS

	2016 £	2015 £
Unlisted Investment	500	500
	<u>£500</u>	<u>£500</u>

RSA FILMS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2016

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Payments Received on Account	400,440	857,340
Trade Creditors	2,090,387	3,467,707
Corporation Tax	46,439	80,256
Other Taxes and Social Security	285,815	258,989
Other Creditors	26,802	26,026
Accruals	194,019	237,668
	<u>£3,043,902</u>	<u>£4,927,986</u>

12. SHARE CAPITAL

	2016	2015
	£	£
Allotted, Issued and Fully Paid:		
12 A Ordinary Shares of £1 each	<u>£12</u>	<u>£12</u>

13. RECONCILIATION OF RESERVES

	Profit & Loss Account £
At 1 October 2015	2,988,247
Profit for the year	84,337
At 30 September 2016	<u>3,072,584</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2016	2015
	£	£
Profit for the Financial year	84,337	224,390
	<u>84,337</u>	<u>224,390</u>
Net Addition to Shareholders' Funds	84,337	224,390
Opening Shareholders' Funds	2,988,259	2,763,869
Closing Shareholders' Funds	<u>£3,072,596</u>	<u>£2,988,259</u>

The Directors do not recommend the payment of a Dividend.

RSA FILMS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2016

15. RECONCILIATION OF OPERATING LOSS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016	2015
	£	£
Operating Profit	124,952	298,816
Depreciation	21,349	18,472
Decrease/(Increase) in Debtors	1,236,780	(626,528)
(Decrease)/Increase in Creditors	(1,393,367)	350,227
Net Cash (Outflow)/Inflow from Operating Activities	<u>(£10,286)</u>	<u>£40,987</u>

16. NOTES TO THE CASH FLOW STATEMENT

	2016	2015
	£	£
Returns on Investments		
Interest Received	5,824	5,799
	<u>5,824</u>	<u>5,799</u>
Taxation		
UK Corporation Tax	(80,256)	(75,491)
	<u>(80,256)</u>	<u>(75,491)</u>
Capital Expenditure		
Purchase of Tangible Fixed Assets	(10,054)	(17,602)
Owed by Group Company	(2,765)	(3,000)
Sale of Investments	3,000	-
	<u>(9,819)</u>	<u>(20,602)</u>
Financing		
(Decrease)/Increase in Payments Received on Account	(456,900)	545,575
	<u>(456,900)</u>	<u>545,575</u>

17. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	2016	2015	Change	Change
	£	£	in 2016	in 2015
			£	£
Cash at Bank and In Hand	2,710,967	3,262,404	(551,437)	496,268
	<u>£2,710,967</u>	<u>£3,262,404</u>	<u>£(551,437)</u>	<u>£496,268</u>

RSA FILMS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2016

18. ANALYSIS OF NET DEBT

	1 October 2015	Cash Flow	30 September 2016
	£	£	£
Cash in Hand, at Bank	3,262,404	-	3,262,404
Decrease in Cash	-	(551,437)	(551,437)
	<u>3,262,404</u>	<u>(551,437)</u>	<u>2,710,967</u>
Debt due within one year	(857,340)	456,900	(400,440)
	<u>(857,340)</u>	<u>456,900</u>	<u>(400,440)</u>
Current Asset Investments	500	-	500
Total	<u>£2,405,564</u>	<u>£(94,537)</u>	<u>£2,311,027</u>

19. TRANSACTIONS WITH DIRECTORS

The Company leased it's business premises from Mr R Scott, a Director of the Company, under a formal Lease up until 5 November 2015. The amount paid in the current year was £27,644 (2015 £260,000). Subsequently, rent was paid to RSA Films (Holdings) Limited.

20. ULTIMATE PARENT COMPANY

The Company is a subsidiary undertaking of RSA Films (Holdings) Limited. A Company incorporated and registered in England and Wales.

RSA FILMS LIMITED
TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	2016		2015
	£	£	£
Turnover	19,356,055		23,369,782
Cost of Sales:			
Purchases	17,050,044		20,726,075
	<u>17,050,044</u>		<u>20,726,075</u>
	17,050,044		20,726,075
Gross Profit	2,306,011		2,643,707
Other Income	124,827		124,802
	<u>2,430,838</u>		<u>2,768,509</u>
Less:			
Selling and Marketing Costs	818,301		861,991
Administrative Expenses	1,460,412		1,583,431
Depreciation and Amortisation	<u>21,349</u>		<u>18,472</u>
	2,300,062		2,463,894
Net Profit for the year before Taxation	130,776		304,615
Taxation	46,439		80,225
Net Profit for the year after Taxation	84,337		224,390
Retained Profits brought forward	2,988,247		2,763,857
Retained Profits Carried Forward	<u>£3,072,584</u>		<u>£2,988,247</u>

This page does not form part of the Company's Statutory Financial Statements and is prepared for the information of the Directors only.

RSA FILMS LIMITED
PROFIT AND LOSS ACCOUNT SUMMARIES
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	2016	2015
	£	£
Other Income		
Bank Interest Received	5,824	5,799
Rent Receivable	119,003	119,003
	<u>£124,827</u>	<u>£124,802</u>
 Selling and Marketing Costs:		
Travel and Entertaining	93,652	103,870
Journals and Magazines	7,215	6,066
Bad Debts	28,487	-
Promotion and Publicity	357,506	345,422
Marketing and Representation	331,441	406,633
	<u>£818,301</u>	<u>£861,991</u>

This page does not form part of the Company's Statutory Financial Statements and is prepared for the information of the Directors only.

RSA FILMS LIMITED
PROFIT AND LOSS ACCOUNT SUMMARIES
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	2016	2015
	£	£
Administrative Expenses:		
Rates Rent and Services	441,676	439,132
Heating and Lighting	18,414	19,607
Equipment, Repairs and Renewals	3,296	5,480
Property Repairs	66,134	80,980
Directors Remuneration	370,472	404,835
Salaries	431,623	475,567
Property Costs Recovered	(125,407)	(123,709)
Staff Welfare	34,555	33,600
Computer Operating Costs	31,874	41,679
Accountancy	4,304	1,592
Audit Fees	14,260	16,940
Professional Fees	3,339	20,291
Insurance	11,417	11,152
Cleaning	56,536	55,690
Postage and Delivery	2,550	4,016
Stationery and Office Supplies	15,479	30,621
Telephone and Communications	31,578	31,293
General Expenses	24,698	18,291
Exchange Differences	12,325	4,578
Bank Charges	11,289	11,796
	<u>£1,460,412</u>	<u>£1,583,431</u>
 Depreciation and Amortisation:		
Plant and Machinery	86	171
Fixtures, Fittings and Equipment	21,263	18,301
	<u>£21,349</u>	<u>£18,472</u>

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Statements and is prepared for the information of the Directors only.