

Registered number: 01909622

HAT TRICK PRODUCTIONS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

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HAT TRICK PRODUCTIONS LIMITED

COMPANY INFORMATION

DIRECTORS	J Mulville M Redhead P Cohen A Dugdale K Wilson
COMPANY SECRETARY	P Cohen
REGISTERED NUMBER	01909622
REGISTERED OFFICE	Hanover House 14 Hanover Square London W1S 1HP
TRADING ADDRESS	33 Oval Road London NW1 7EA
INDEPENDENT AUDITORS	Sopher + Co LLP Chartered Accountants & Statutory Auditors 5 Elstree Gate Elstree Way Borehamwood Hertfordshire WD6 1JD
BANKERS	Coutts & Co 440 Strand London WC2R 0QS
SOLICITORS	Harbottle and Lewis LLP Hanover House 14 Hanover Square London W1S 1HP

HAT TRICK PRODUCTIONS LIMITED

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HAT TRICK PRODUCTIONS LIMITED

HAT TRICK GROUP BUSINESS HIGHLIGHTS FOR THE YEAR ENDED 31 DECEMBER 2014

Hat Trick Productions Limited is a wholly owned subsidiary of Hat Trick Holdings Limited. Hat Trick group has had a successful year and would like to highlight the following achievements:

- Group Adjusted Profit after Tax of £2.8m
- *Ballot Monkeys*, a new topical sitcom, written and produced by Andy Hamilton and Guy Jenkin, commissioned as part of Channel Four's 2015 election coverage
- The fourth series of *Episodes* produced
- *Whose Line is it Anyway?* now in its third series on the US channel The CW
- After the first series of *Boomers* was well received, a second series will be produced in 2015
- *Dinner Date* and *Room 101* both aired their fourth series
- Third Series of *Some Girls* and *The Revolution will be Televised* recommissioned and aired
- Development and co production deal agreed with Jane Lush's new production company - Kalooki

HAT TRICK PRODUCTIONS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES

With a library of long-running, award-winning television programming, we are an industry-leading content creator and rights owner. Our goal remains simple; to make highly successful programmes for profit. We do this in two ways. We develop, create and exploit content in the areas of Comedy, Drama and Entertainment. We also use our substantial creative and business support experience to take investments in early-stage content creation companies with a view to helping them reach their full potential more quickly than they otherwise might be able to.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,897,378 (2013 - £1,248,679).

Hat Trick uses Adjusted Profit after Tax (Profit after Tax, excluding amortisation & share options charge) as its key performance indicator.

Group Adjusted Profit after Tax was £2.8m in the period, (£0.7m) higher than 2013, due to the programming mix.

The directors paid dividends amounting to £2,499,505 (2013 - £3,500,167).

DIRECTORS

The directors who served during the year were:

J Mulville
M Redhead
P Cohen
A Dugdale
K Wilson

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 that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that 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's auditors are aware of that information.

HAT TRICK PRODUCTIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic report, 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:

- select suitable accounting policies 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 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.

AUDITORS

Under section 487(2) of the Companies Act 2006, Sopher + Co LLP 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.



P Cohen
Director

Date: 12 May 2015

HAT TRICK PRODUCTIONS LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their Strategic review for the year end 31 December 2014.

BUSINESS REVIEW

Content creation

Hat Trick produced programmes for BBC1, BBC2, BBC 3, ITV1, ITVBe, Sky One, UKTV and US channels Showtime and The CW in 2014.

Have I Got News For You continues to perform. The 47th and 48th series were produced in 2014, with twenty more episodes commissioned for 2015.

A number of our shows have been recommissioned, including fifth series of *Room 101 & Dinner Date* and the second series of *Boomers*.

Dinner Date is our first ever commission from ITV's new channel ITVBe.

Whose Line is it Anyway? now in its third series on The CW

Some Girls, the BAFTA winning *The Revolution will be Televised* and the hugely popular *Outnumbered* all returned in 2014.

Critical, the thirteen part medical drama on Sky One, has been well received by the critics.

The fourth series of *Episodes*, has been produced and will be aired in 2015.

Rights exploitation

We continue to exploit the majority of our extensive programming catalogue in-house through Hat Trick International (HTI). HTI continues to benefit from Hat Trick's strong production pipeline, as well as through its relationships with other production companies.

Investments

Plum Pictures, a leading factual and features producer, have had their best year to date producing a number of programmes including *George Clarke's Amazing Spaces* and *The Mafia with Trevor McDonald*.

PRINCIPAL RISKS AND UNCERTAINTIES

Foreign exchange risk

The company operates primarily within the UK and so has limited exposure to foreign exchange movements. However, any material exposure is hedged on a case by case basis.

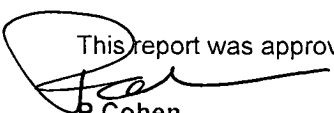
Credit risk

A large percentage of the Company's programming is conducted with the BBC and other established broadcasters. Therefore, the company does not have a significant exposure to credit defaults.

Liquidity risk

The company has sufficient cash reserves to cover the day to day working capital requirements. The working capital of the business is closely monitored to ensure these commitments are met.

This report was approved by the board on 12 May 2015 and signed on its behalf.



P Cohen
Director

HAT TRICK PRODUCTIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HAT TRICK PRODUCTIONS LIMITED

We have audited the financial statements of Hat Trick Productions Limited for the year ended 31 December 2014, set out on pages 7 to 22. 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 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, 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 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 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 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 company's affairs as at 31 December 2014 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

HAT TRICK PRODUCTIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HAT TRICK PRODUCTIONS LIMITED

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:

- 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Stephen Iseman FCA (Senior statutory auditor)

for and on behalf of
Sopher + Co LLP

Chartered Accountants
Statutory Auditors

5 Elstree Gate
Elstree Way
Borehamwood
Hertfordshire
WD6 1JD

12 May 2015

HAT TRICK PRODUCTIONS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
TURNOVER	1,2	26,311,591	27,608,061
Cost of sales		<u>(19,199,264)</u>	<u>(19,924,641)</u>
GROSS PROFIT		7,112,327	7,683,420
Administrative expenses		(7,526,390)	(7,031,489)
Other operating income	3	<u>1,024,307</u>	<u>943,515</u>
OPERATING PROFIT	4	610,244	1,595,446
Income from other fixed asset investments		176,250	175,000
Loss on disposal of investments		(1)	-
Interest receivable and similar income		947	5,025
Interest payable and similar charges	8	<u>(4,984)</u>	<u>(4,365)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		782,456	1,771,106
Tax on profit on ordinary activities	9	<u>1,114,922</u>	<u>(522,427)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>1,897,378</u>	<u>1,248,679</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

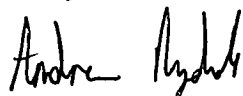
The notes on pages 9 to 22 form part of these financial statements.

HAT TRICK PRODUCTIONS LIMITED
REGISTERED NUMBER: 01909622

BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	10		853,663		830,909
Investments	11		271,348		358,837
			<u>1,125,011</u>		<u>1,189,746</u>
CURRENT ASSETS					
Work in progress	12	519		144,953	
Debtors	13	6,642,177		5,234,756	
Cash at bank and in hand	14	1,171,273		1,641,468	
			<u>7,813,969</u>	<u>7,021,177</u>	
CREDITORS: amounts falling due within one year	15	(7,571,976)		(6,582,864)	
NET CURRENT ASSETS			<u>241,993</u>		<u>438,313</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,367,004</u>		<u>1,628,059</u>
CREDITORS: amounts falling due after more than one year	16		(4,699)		(10,220)
NET ASSETS			<u><u>1,362,305</u></u>		<u><u>1,617,839</u></u>
CAPITAL AND RESERVES					
Called up share capital	18		614		614
Capital redemption reserve	19		600		600
Share option reserve	19		1,184,387		837,794
Profit and loss account	19		176,704		778,831
SHAREHOLDERS' FUNDS	20		<u><u>1,362,305</u></u>		<u><u>1,617,839</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 May 2015.



A Dugdale
Director

HAT TRICK PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of services supplied during the year, exclusive of Value Added Tax.

Production turnover and gross profit are recognised over the period of production on a stage of completion and straight line basis respectively.

Sums receivable from distribution by related parties are recognised when receivable. Where third party distributors are used, turnover is recognised on a receivable basis in accordance with distribution statements, unless an advance is received, in which case turnover is then recognised on the later of the licence period start date or completion of all deliverables.

Royalties receivable are accounted for on a royalty earnings basis as part of turnover. Non-returnable, recoupable advances are accounted for on completion of delivery requirements.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

S/Term Leasehold Property	-	over the period of the lease
Plant & machinery	-	25% straight line
Motor vehicles	-	25% straight line

1.5 Investments

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

HAT TRICK PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES (continued)

1.6 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.7 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.8 Work in progress

Project development costs, carried forward under work in progress, represent costs incurred on projects in development and are stated at the lower of cost and estimated net realisable value.

1.9 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.10 Foreign currencies

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 gains and losses are recognised in the Profit and loss account.

HAT TRICK PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES (continued)

1.11 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.12 Share options

The company has applied the requirements of FRS 20 Share-based Payments. The company issues equity-settled share-based payments to certain employees. These share options are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value of the share options issued is expenses on a straight line basis over the period to when management estimates the options will be exercised as adjusted for known vesting conditions.

Fair value is measured by use of the Black - Scholes pricing model. The principal assumptions made in the model are described in note 7.

1.13 Production sale and leaseback contracts

The company entered into sale and leaseback transactions during previous periods. The sale proceeds have been placed in separate bank deposit accounts to meet the future lease obligations and guarantees have been provided by banks to the lessors in respect of those obligations. On the basis that the deposit accounts do not confer any economic benefit on the company and the related lease liabilities do not represent a future sacrifice of economic benefit, the bank deposit balances and the related creditors have been netted off and excluded from the balance sheet.

2. TURNOVER

An analysis of turnover by geographical market by destination:

	2014 £	2013 £
United Kingdom	20,799,805	22,506,363
North America	5,511,786	5,041,077
Rest of Europe	-	28,953
Rest of the World	-	31,668
	<u>26,311,591</u>	<u>27,608,061</u>

All turnover was derived from the creation and exploitation of content for broadcast media.

3. OTHER OPERATING INCOME

	2014 £	2013 £
Other operating income	<u>1,024,307</u>	<u>943,515</u>

HAT TRICK PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	242,050	190,363
- held under finance leases	13,537	11,186
Auditors' remuneration	27,729	26,817
Operating lease rentals:		
- other operating leases	559,000	512,594
Difference on foreign exchange	(25,959)	17,155
	<u>242,050</u>	<u>190,363</u>

5. STAFF COSTS

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

	2014 £	2013 £
Wages and salaries	4,281,335	4,250,204
Social security costs	474,755	482,694
Other pension costs	179,000	220,671
	<u>4,935,090</u>	<u>4,953,569</u>

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

	2014 No.	2013 No.
Management	7	7
Administration	28	28
Production, development and writing	29	26
	<u>64</u>	<u>61</u>

HAT TRICK PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

6. DIRECTORS' REMUNERATION

	2014 £	2013 £
Remuneration	<u>1,152,023</u>	<u>1,144,046</u>
Company pension contributions to defined contribution pension schemes	<u>56,409</u>	<u>98,308</u>

During the year retirement benefits were accruing to 4 directors (2013 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £396,375 (2013 - £403,105).

7. SHARE BASED PAYMENTS

Equity-settled share option scheme

The company has implemented two enterprise management incentive share option schemes, one on the 30th November 2006 and the other on 25th January 2011. All share options granted after 25th January 2011, which includes all the options granted in 2011, will be under the new scheme.

Share options granted under these schemes are only exercisable on or after the earlier of an exit event and any date(s) as specified in the option agreement. Under both scheme rules, an exit event is defined as the earlier of a share sale, a listing or a trade sale. A period of three years has been assumed between the grant and exercise of the share options.

At 31 December 2014, 13,717 (2013 - 15,350) options were outstanding. If the options remain unexercised after a period of 10 years they expire. Options are forfeited if the employee leaves the group before they have been exercised.

The weighted average remaining contractual life of the share options outstanding at the end of the period was 3 years.

The aggregate of the estimated fair value of the share options granted is £1,433,277, resulting in a charge of £346,092 (2013 - £492,861) in the profit and loss account.

This is based on the Black – Scholes model using the following assumptions:

Weighted average share price at grant	£97.28
Weighted average exercise price	£1.00
Expected volatility	93%
Expected life of option	3 Years
Risk-free rate	2.13%

HAT TRICK PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

8. INTEREST PAYABLE

	2014 £	2013 £
On finance leases and hire purchase contracts	4,820	4,365
Other interest payable	164	-
	<u>4,984</u>	<u>4,365</u>

9. TAXATION

	2014 £	2013 £
Analysis of tax (credit)/charge in the year		
Current tax (see note below)		
UK corporation tax (credit)/charge on profit for the year	(1,132,875)	481,615
Adjustments in respect of prior periods	2,180	1,225
Total current tax	<u>(1,130,695)</u>	<u>482,840</u>
Deferred tax (see note 17)		
Current year movement	15,773	39,587
Tax on profit on ordinary activities	<u>(1,114,922)</u>	<u>522,427</u>

HAT TRICK PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

9. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - higher than) the standard rate of corporation tax in the UK of 21.50%.23.25%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>782,456</u>	<u>1,771,106</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.50%.23.25%)	168,228	411,782
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	27,585	23,106
Capital allowances for year in excess of depreciation	(13,041)	(27,105)
Adjustments to tax charge in respect of prior periods	2,180	1,225
Dividends from group companies	(37,894)	(40,688)
High-end television Tax Relief	(1,132,875)	-
Tax relief from enhanced tax credits	(219,327)	-
Non-tax deductible charge for employee options	74,517	114,590
Other adjustments	(68)	(70)
Current tax (credit)/charge for the year (see note above)	<u>(1,130,695)</u>	<u>482,840</u>

The UK corporation tax credit arises as a result of a claim for High-end Television Tax Relief.

HAT TRICK PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

10. TANGIBLE FIXED ASSETS

	S/Term Leasehold Property £	Plant & machinery £	Motor vehicles £	Total £
Cost				
At 1 January 2014	796,470	3,056,506	-	3,852,976
Additions	24,000	173,680	83,244	280,924
Disposals	-	(10,220)	-	(10,220)
At 31 December 2014	820,470	3,219,966	83,244	4,123,680
Depreciation				
At 1 January 2014	475,061	2,547,006	-	3,022,067
Charge for the year	25,536	210,974	19,077	255,587
On disposals	-	(7,637)	-	(7,637)
At 31 December 2014	500,597	2,750,343	19,077	3,270,017
Net book value				
At 31 December 2014	319,873	469,623	64,167	853,663
At 31 December 2013	321,409	509,500	-	830,909

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2014 £	2013 £
Furniture, fittings and equipment	18,065	21,440

11. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £	Investments in associates £	Total £
Cost or valuation			
At 1 January 2014	1,335	357,502	358,837
Capital repayment from associate	-	(87,488)	(87,488)
Disposals	(1)	-	(1)
At 31 December 2014	1,334	270,014	271,348
Net book value			
At 31 December 2014	1,334	270,014	271,348
At 31 December 2013	1,335	357,502	358,837

HAT TRICK PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

11. FIXED ASSET INVESTMENTS (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Hat Trick International Limited	Ordinary	100%
Hat Trick Television Limited	Ordinary	100%
Hat Trick (Bad Teeth) Limited	Ordinary	100%
Hat Trick Holdings Inc.	Ordinary	100%
Hat Trick East Inc.	Ordinary	100%
Hat Trick Entertainment Inc.	Ordinary	100%
Hat Trick (Critical) Limited	Ordinary	100%
Hat Trick (Whicher) Limited	Ordinary	100%
TWC (UK) Limited	Ordinary	100%

Name	Business	Registered office
Hat Trick International Limited	Distribution of content	England and Wales
Hat Trick Television Limited	Creation of content for broadcast media	England and Wales
Hat Trick (Bad Teeth) Limited	Television production services	England and Wales
Hat Trick Holdings Inc.	Creation of content for broadcast media	USA
Hat Trick East Inc.	Creation of content for broadcast media	USA
Hat Trick Entertainment Inc.	Creation of content for broadcast media	USA
Hat Trick (Critical) Limited	Creation of content for broadcast media	England and Wales
Hat Trick (Whicher) Limited	Creation of content for broadcast media	England and Wales
TWC (UK) Limited	Writers' Agency	England and Wales

The aggregate of the share capital and reserves as at 31 December 2014 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Hat Trick International Limited	1,624,866	660,387
Hat Trick Television Limited	565,195	77,764
Hat Trick (Bad Teeth) Limited	149,430	(1,369)
Hat Trick Holdings Inc.	(30,254)	5,428
Hat Trick East Inc.	102,460	37,819
Hat Trick Entertainment Inc.	18,369	(6,473)
Hat Trick (Critical) Limited	(108,033)	(108,296)
Hat Trick (Whicher) Limited	67,440	67,439
TWC (UK) Limited	(348,753)	(73,911)

HAT TRICK PRODUCTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

11. FIXED ASSET INVESTMENTS (continued)

Associates

Name	Country of incorporation	Class of shares	Holding	Principal activity
Plum Pictures Limited	England and Wales	Ordinary	25%	Creation of content for broadcast media
Toff Media Limited	England and Wales	Ordinary	50%	Creation of content for broadcast media

Associates

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Plum Pictures Limited	60,117	540,182
Toff Media Limited	43,395	(4,757)
	<u> </u>	<u> </u>

12. WORK IN PROGRESS

	2014 £	2013 £
Work in progress	519	144,953
	<u> </u>	<u> </u>

13. DEBTORS

	2014 £	2013 £
Trade debtors	758,724	1,783,595
Amounts owed by group undertakings	2,333,137	1,013,705
Other debtors	332,353	49,820
Prepayments and accrued income	2,046,174	2,332,949
Tax recoverable	1,132,875	-
Deferred tax asset (see note 17)	38,914	54,687
	<u>6,642,177</u>	<u>5,234,756</u>

HAT TRICK PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

14. CASH AT BANK AND IN HAND

Included within the balance sheet figure of £1,171,273 (2013 - £1,641,468) are sums amounting to £844,196 (2013 - £1,096,529) held in production bank accounts and petty cash balances of £8,122 (2013 - £33,801) held on behalf of broadcasters who have commissioned work and advanced funds to cover future production costs.

Within creditors (note 15) production advances, certain trade creditors and accruals represent the unexpended funds held on trust at the balance sheet date.

15. CREDITORS:

Amounts falling due within one year

	2014 £	2013 £
Bank loans and overdrafts	83	107
Net obligations under finance leases and hire purchase contracts	16,640	12,074
Trade creditors	474,546	171,282
Amounts owed to group undertakings	3,097,885	1,478,059
Corporation tax	-	195,554
Other taxation and social security	285,015	646,560
Other creditors	171,217	15,075
Accruals and deferred income	3,526,590	4,064,153
	<u>7,571,976</u>	<u>6,582,864</u>

16. CREDITORS:

Amounts falling due after more than one year

	2014 £	2013 £
Net obligations under finance leases and hire purchase contracts	<u>4,699</u>	<u>10,220</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2014 £	2013 £
Between one and five years	<u>4,699</u>	<u>10,220</u>

The amounts due under finance leases are secured against the related assets.

HAT TRICK PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

17. DEFERRED TAX ASSET

	2014 £	2013 £
At beginning of year	54,687	94,274
Charged for year (P&L)	(15,773)	(39,587)
At end of year	<u>38,914</u>	<u>54,687</u>

The deferred tax asset is made up as follows:

	2014 £	2013 £
Decelerated capital allowances	<u>38,914</u>	<u>54,687</u>

18. SHARE CAPITAL

	2014 £	2013 £
Allotted, called up and fully paid 61,400 Ordinary shares of £0.01 each	<u>614</u>	<u>614</u>

19. RESERVES

	Capital redemption reserve £	Share option reserve £	Profit and loss account £
At 1 January 2014	600	837,794	778,831
Profit for the financial year			1,897,378
Dividends: Equity capital			(2,499,505)
Movement on other reserves		346,593	
At 31 December 2014	<u>600</u>	<u>1,184,387</u>	<u>176,704</u>

20. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Opening shareholders' funds	1,617,839	3,376,466
Profit for the financial year	1,897,378	1,248,679
Dividends (Note 21)	(2,499,505)	(3,500,167)
Share option charge	346,593	492,861
Closing shareholders' funds	<u>1,362,305</u>	<u>1,617,839</u>

HAT TRICK PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

21. DIVIDENDS

	2014 £	2013 £
Dividends paid on equity capital	<u>2,499,505</u>	<u>3,500,167</u>

22. SALE AND LEASEBACK OF PRODUCTIONS

In the opinion of the directors the circumstances in which the company would incur any liabilities in respect of the sale and leaseback arrangements are so remote that no separate provision is required to be made for future lease obligations. The lease obligations are secured on the designated bank deposits. At the balance sheet date, the escrow accounts and corresponding leasing obligations amounted to £354,294 (2013 - £671,060).

23. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £180,545 (2013 - £223,788).

24. OPERATING LEASE COMMITMENTS

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2014 £	2013 £
Expiry date:		
After more than 5 years	<u>594,000</u>	<u>594,000</u>

HAT TRICK PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

25. RELATED PARTY TRANSACTIONS

During the period, the company entered into transactions on an arms length basis, in the ordinary course of business, and had balances at the year end with the following related parties.

	Year ended 31 Dec 2014	Year ended 31 Dec 2014	Year ended 31 Dec 2013	Year ended 31 Dec 2013
	Sales	Debtor	Sales	Debtor
	£	£	£	£
Plum Pictures Limited	595,592	89,082	544,753	-
Toff Media Limited	-	452	-	-
	<u>595,592</u>	<u>89,534</u>	<u>544,753</u>	<u>-</u>

At the balance sheet date the company was owed £4,217 (2013 - £8,218) by the director J Mulville included in other debtors.

26. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent company and controlling party is Hat Trick Holdings Limited, a company incorporated in Great Britain and registered in England and Wales. Hat Trick Holdings Limited is the parent company of the largest and smallest group of which Hat Trick Productions Limited is a member and for which group financial statements are drawn up. Copies of the consolidated financial statements are available from the Registrar of Companies. The directors regard J Mulville, a director of the company, as the ultimate controlling party.