

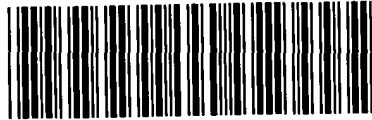
Pioneer Film and Television Productions Limited

**Directors' report and financial
statements**

Registered number 02289176

For the year ended 30 September 2020

MC THURSDAY



AA8R5BC8

A06	15/07/2021	#22
COMPANIES HOUSE		

A18	28/06/2021	#116
COMPANIES HOUSE		

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Directors' report

The directors present their directors' report and financial statements for the year ended 30 September 2020.

On 25 March 2021, Tinopolis Group Limited became the ultimate parent company (see note 16).

Principal activity

The principle activity of Pioneer Film and Television Productions Limited ('the Company' or 'Pioneer Film and Television Productions') is that of film and television production.

Review of operations

The Company was significantly impacted by COVID-19 with the disruption to the majority of our productions from March onwards resulting in a drop in turnover of 56% for the year to £3.1 million (2019: £7.1 million), which resulted in an operating loss of £254,000 (2019: profit of £830,000) in the year.

Cash preservation was a priority for the Company despite tight management of working capital, net current assets decreased in the year by £197,000.

Directors

The directors of the Company during the year, and since year end, were:

W A Rees
J Roberts
OGR Jones
J Hewes

Dividends

No dividends were declared during either year.

Going Concern

The directors have undertaken detailed forecasts to verify the ability of the Company to continue in operational existence for the foreseeable future.

In making, this assessment management has undertaken a forecast to September 2022 under a range of potential scenarios to ensure it can continue as a going concern and meet its liabilities as and when they fall due for a period of not less than 12 months following the date on which the statutory accounts of the Company are signed (see note 1).

Through the analysis performed, the directors have verified that the Company has sufficient cash flow resources to maintain operations for the foreseeable future. The directors therefore continue to adopt the going concern basis in preparing the annual accounts.

Political donations


The Company made no political donations during the period under review (2019: £nil).

Exemption from audit

The company has taken advantage of the exemption under section 479A of the Companies act 2006 from the requirement to have its accounts for the year ended 30 September 2020 audited.

Directors' report *(continued)*

Signed on behalf of the Board



J Roberts
Director

Tinopolis Centre
Park Street
Llanelli
Carmarthenshire
SA15 3YE

17 June 2021

Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Profit and Loss Account and Other Comprehensive income
for the year ended 30 September 2020

	Note	2020 £'000	2019 £'000
Turnover	2	3,088	7,502
Cost of sales		(1,613)	(5,011)
Gross profit		1,475	2,491
Administrative expenses		(1,879)	(1,661)
Other operating income		150	-
Operating (loss)/profit		(254)	830
Interest receivable/(payable) net of similar charges	6	89	(2)
(Loss)/profit before taxation		(165)	828
Taxation on (loss)/profit	7	(36)	(189)
(Loss)/profit for the financial year		(201)	639

There was no other comprehensive income.

All other amounts relate to continuing activities.

The notes on pages 7 to 16 form part of the financial statements.

Balance sheet
at 30 September 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Tangible assets	8	78	82
Investments	9	-	-
		<u>78</u>	<u>82</u>
Current assets			
Debtors (including £4,769,000 (2019: £5,533,000) due after more than one year)	10	6,678	7,619
Cash at bank and in hand		1,280	828
		<u>7,958</u>	<u>8,447</u>
Creditors: amounts falling due within one year	11	<u>(6,025)</u>	<u>(6,317)</u>
Net current assets		<u>1,933</u>	<u>2,130</u>
Net assets		<u>2,011</u>	<u>2,212</u>
Capital and reserves			
Called up share capital	13	-	-
Profit and loss account		2,011	2,212
Shareholders' funds		<u>2,011</u>	<u>2,212</u>

The notes on pages 7 to 16 form part of the financial statements.

For the year ended 30 September 2020, the Company was entitled to exemption from the requirement to have an audit under section 479A of the Companies Act 2006 (the "Act").

Directors' responsibilities

- the members have not required the Company to obtain an audit of its accounts for the year in question, in accordance with section 476 of the Act.
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved by the Board of Directors at a meeting on 17 June 2021.

Signed on behalf of the Board



J Roberts
Director

Statement of Changes in Equity

	Called up Share capital	Profit and loss account	Total equity
	£'000	£'000	£'000
Balance at 1 October 2018	-	1,573	1,573
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period			
Profit or loss	-	639	639
	<hr/>	<hr/>	<hr/>
Balance at 30 September 2019	-	2,212	2,212
	<hr/>	<hr/>	<hr/>

	Called up Share capital	Profit and loss account	Total equity
	£'000	£'000	£'000
Balance at 1 October 2019	-	2,212	2,212
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period			
Profit or loss	-	(201)	(201)
	<hr/>	<hr/>	<hr/>
Balance at 30 September 2020	-	2,011	2,011
	<hr/>	<hr/>	<hr/>

The accompanying notes form part of the financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Basis of preparation

Pioneer Film and Television Productions Limited (the "Company") is a private company limited by shares that is incorporated and domiciled in England in the UK. The registered number is 02289176 and the registered address is Tinopolis Centre, Park Street, Llanelli, Carmarthenshire, SA15 3YE.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

Red Dragon Acquisitions Limited includes the Company in its consolidated financial statements. These consolidated financial statements are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the address given in note 16.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital and tangible fixed assets;
- Disclosures in respect of transactions with group companies wholly under the same ownership;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Red Dragon Acquisitions Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 7 *Financial Instrument Disclosures*.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

As the company is a wholly owned subsidiary of Red Dragon Acquisitions Limited, the company has taken advantage of the exemption contained in FRS 101.8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 1.14.

The company has adopted the following IFRSs in these financial statements:

IFRS 15: Revenue from contract with customers' establishes a comprehensive framework for determining whether, how much and when revenue is recognised, replacing IAS 18 Revenue. The Company has adopted IFRS 15 with effect of initially applying this standard recognised at the date of initial application (i.e. 1 October 2018).

The Company considers the current basis of revenue recognition to remain appropriate because the accounting policies support the recognition of revenue in line with the performance obligations identified under IFRS 15.

The Company has initially applied the cumulative effect method, as such there is no comparative information.

Notes (continued)

1 Accounting policies (continued)

Basis of preparation (continued)

Therefore the Company considers that the initial application of IFRS 15 has no significant change or impact on the Company's accounting policies applied in its financial statements.

IFRS 9: Financial Instruments, the Company has adopted IFRS 9 with a date of initial application of 1 October 2018. Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively. The Company do not consider the adoption of the standard to have significant effect on the classification and measurement of financial assets and financial liabilities, so the comparative periods have not been restated.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The financial statements have been prepared on a going concern basis, which the Directors consider appropriate for the following reasons

The Directors have prepared cash flow forecasts from the date of approval of these financial statements to 30 September 2022, which indicate that, taking account of reasonably possible downsides and the anticipated impact of COVID-19 on the operations and its financial resources, the Company will have sufficient funds to meet its liabilities as they fall due for that period.

The Directors have considered the future impact of COVID-19 on the cash flow forecasts and considered a reasonably possible downside case, which assumes that the Company generates 10% less revenue than forecast, which show, due to the variable nature of the majority of costs and strict cash management the Company has positive cash flows over the forecast period.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.3 Turnover

Revenue (which excludes VAT) represents amounts receivable for work carried out in producing television programmes and is recognised when the performance obligation is met. Productions are recognised over time using the cost incurred method. Where productions are in progress and where the sales invoiced exceed the cost of the work done, the excess is shown as deferred income. Where the value of the work done to date exceeds the invoiced amount, the amounts are classified as accrued income.

1.4 Foreign currency

Transactions in foreign currencies are recorded at the appropriate rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or at the rate of exchange ruling at the balance sheet date, the gains and losses on the translation are included in the profit and loss account.

1.5 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Notes (continued)

1 Accounting policies (continued)

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold property	- Over length of lease
Fixtures, fittings and equipment	- 15% straight line

1.7 Development costs

Internally generated costs relating to programmes, to the extent they are not funded by a customer, are written off to the profit and loss account.

1.8 Investments

Fixed asset investments are stated at cost less any provision for impairment in value.

1.9 Post-retirement benefits

The Company is part of a defined contribution pension scheme for eligible employees. The contributions under this scheme are held in trustee-administered funds completely separate from the Group's finances. The amounts charged against profit are based on the defined contributions payable.

1.10 Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

1.11 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity, trade and other debtors, cash and cash equivalents, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Impairment

The company recognises loss allowances for expected credit losses on financial assets measured at amortised cost, and contract assets (as defined in IFRS 15).

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit. Lifetime expected credit losses arise from all possible default events over the expected life of a financial instrument.

When determining whether the credit risk of a trade receivable has increased significantly since initial recognition and when estimating expected credit loss, the company considers information that is relevant and available. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

The company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the company in full.

Measurement of Expected Credit Losses

Expected credit loss are a probability-weighted estimate of credit losses. Credit losses are measured the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

Notes (continued)

1 Accounting policies (continued)

1.12 Derivative financial instruments

Where a derivative financial instrument is designated as a hedge of the variability in fair value of a recognised asset, all changes in the fair value of the derivative are recognised immediately in the income statement. The carrying value of the hedged item is adjusted by the change in fair value that is attributable to the risk being hedged (even if it is normally carried at cost or amortised cost) and any gains or losses on remeasurement are recognised immediately in the income statement.

1.13 Government Grants

Government grants related to income are recognised in the period that the expense is incurred.

The company has shown the income related government grants as other operating income in the statement of profit and loss and other comprehensive income.

1.14 Critical accounting estimates and judgements

Information about critical estimates in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements and assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is given below:

Revenue recognition involves the assessment of performance obligations and estimation of costs to complete on contracts that are fulfilled over more than one accounting period. There are no significant judgements.

2 Turnover

Turnover and profits relate to the principal activity of the Company and are in respect of continuing activities. The analysis by geographical area is set out below:

	2020 £'000	2019 £'000
United Kingdom	740	152
Europe	-	35
Rest of the world	2,348	7,315
	<u>3,088</u>	<u>7,502</u>
	<u><u>3,088</u></u>	<u><u>7,502</u></u>
Timing of transfer of goods or services	2020 £'000	2019 £'000
Programmes transferred over time	3,088	7,502
	<u>3,088</u>	<u>7,502</u>
	<u><u>3,088</u></u>	<u><u>7,502</u></u>

Notes (continued)

2 Turnover (continued)

Contract balances

The following table provides information about opening and closing receivables, contract assets and contract liabilities.

	2020	2019
	£'000	£'000
Receivables (note 10)	21	603
Contracts assets	377	1,900
Contract liabilities	(312)	(370)

The contract assets primarily relate to the company's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when we bill the customer. The contract liabilities primarily relate to the advance consideration received from customers.

The company applies the practical expedient in IFRS 15.121 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

3 Expenses and auditor's remuneration

	2020	2019
	£'000	£'000
Net foreign exchange (gain)/loss	(166)	(72)
Depreciation	23	14
Audit of these financial statements	14	12
Other operating income		
Furlough grant	(150)	-

Notes (continued)

4 Employees

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2020	2019
Production	27	24

The aggregate payroll costs of these employees (including directors) during the year were as follows:

	2020 £'000	2019 £'000
Wages and salaries	1,111	1,255
Social security costs	124	145
Other pension costs	29	25
	<u>1,264</u>	<u>1,425</u>

At the balance sheet date the Company was a member of a group pension scheme. This pension scheme is a defined contribution plan. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension costs represent payments made by the Company to directors' and employees' personal pension schemes and to the group pension scheme.

5 Directors' remuneration

Included in administrative expenses is a charge for directors' emoluments of £241,000 (2019: £269,000).

The costs of services provided by the directors is £288,000 (2019: £329,000) of which £47,000 (2019: £60,000) has been borne by other group companies.

The emoluments of the highest paid director were £241,000 (2019: £269,000).

Company contributions to the defined contribution pension scheme for the highest paid director amounted to nil (2019: nil).

The number of directors to whom retirement benefits are accruing under defined contribution pension schemes is nil (2019: nil).

6 Interest receivable/payable net of similar charges

	2020 £'000	2019 £'000
Net gain/(loss) on financial instruments designated as fair value through profit or loss	89	(2)
	<u>89</u>	<u>(2)</u>

Notes (continued)

7 Taxation

Recognised in the profit and loss account

	2020 £'000	2019 £'000
<i>UK corporation tax</i>		
Current tax on income for the year	-	173
Adjustment in respect of prior year	28	10
	<hr/>	<hr/>
Total current tax charge	28	183
<i>Deferred tax</i>		
Origination and reversal of timing differences (note 12)	8	6
	<hr/>	<hr/>
Tax charge on profit on ordinary activities	36	189
	<hr/>	<hr/>

There was no income tax recognised in other comprehensive income.

Factors affecting the tax charge for the current period

The current tax charge for the period is higher (2019: higher) than the standard rate of corporation tax in the UK 19% (2019: 19%) the differences are explained below.

Reconciliation of effective tax rate

	2020 £'000	2019 £'000
<i>Current tax reconciliation</i>		
(Loss)/profit on ordinary activities before tax	(165)	828
	<hr/>	<hr/>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax at 19% (2019: 19%)	(31)	157
<i>Effects of:</i>		
Expenses not deductible for tax purposes	-	1
Capital allowances	(2)	(6)
Other timing differences	62	52
Adjustments in respect of prior periods	28	10
Utilisation of brought forward losses	-	(25)
Payment of group relief	(29)	-
Deferred tax timing difference	8	-
	<hr/>	<hr/>
Total tax charge	36	189
	<hr/>	<hr/>

On 17 March 2020 a change to the future corporation tax rate was substantively enacted. The corporation tax rate remains at 19% for the tax years starting on 1 April 2020 and 1 April 2021. This replaced the previously enacted reduction to 17% (effective from 1 April 2020) on 6 September 2016. The deferred tax asset at 30 September 2020 has been calculated based on these rates. In the 3 March 2021 Budget it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the company's future tax charge. If this rate change had been substantively enacted at the current balance sheet date the deferred tax asset would have increased by £4,000.

Notes (continued)

8 Tangible assets

	Leasehold Property £'000	Fixtures & Fittings £'000	Total £'000
Cost			
At 1 October 2019	39	896	935
Additions	-	19	19
	<hr/>	<hr/>	<hr/>
At 30 September 2020	39	915	954
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 October 2019	7	846	853
Charge for the year	4	19	23
	<hr/>	<hr/>	<hr/>
At 30 September 2020	11	865	876
	<hr/>	<hr/>	<hr/>
Net book value			
At 30 September 2020	28	50	78
	<hr/>	<hr/>	<hr/>
At 30 September 2019	32	50	82
	<hr/>	<hr/>	<hr/>

9 Fixed asset investments

	Shares in Group Undertakings £'000
Cost	
At 1 October 2019 and 30 September 2020	15
Provisions for diminution in value	
At 1 October 2019 and 30 September 2020	(15)
	<hr/>
Net book value	
At 1 October 2019 and 30 September 2020	-
	<hr/>

Related Undertakings

The companies and related undertakings in which the Company has an interest at the year-end are:

Related undertakings	Country of incorporation	Shared held	Proportion held	Company status
Science Channel Limited	England and Wales ¹	Ordinary	100%	Dormant
In the Womb Limited (formerly known as WDHCF Limited)	England and Wales ¹	Ordinary	100%	Dormant
Pioneer Productions International Limited	England and Wales ¹	Ordinary	100%	Dormant

¹ registered at Tinopolis Centre, Park Street, Llanelli, Carmarthenshire, SA15 3YE

Notes (continued)

10 Debtors

	2020 £'000	2019 £'000
Due after more than one year		
Amounts owed by group undertakings	4,769	5,533
Due within one year		
Trade debtors	21	603
Amounts owed by group undertakings	1,636	542
Other debtors	221	104
Prepayments and accrued income	17	815
Deferred tax asset (see note 12)	14	22
	<u>6,678</u>	<u>7,619</u>

Amounts owed by group undertakings are interest free and repayable on demand.

11 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	30	214
Amounts owed to group undertakings	3,797	3,585
Other taxation and social security	25	45
Other creditors	30	31
Accruals and deferred income	2,143	2,268
Corporation tax	-	174
	<u>6,025</u>	<u>6,317</u>

Amounts owed by group undertakings are interest free and repayable on demand.

12 Deferred Taxation

	Deferred taxation £'000
Balance at 1 October 2019	22
Credit to profit and loss account	(8)
	<u>14</u>
Balance at 30 September 2020	<u>14</u>
 The deferred tax asset is made up as follows:	
	2020 £'000
Accelerated capital allowances	14
	<u>22</u>

Notes (continued)

13 Called up share capital

	2020	2019
	£	£
<i>Allotted, called up and fully paid</i>		
80 Ordinary shares of £1 each	80	80

14 Contingent liabilities

The company is part of a cross-guarantee arrangement whereby the banking liabilities of Red Dragon Acquisitions Limited group, amounting to £124,242,000 (2019: £119,622,000) are secured by the assets of the company and its fellow subsidiaries.

The company entered into a Guarantee and Debenture, comprising fixed and floating charges over the undertaking and certain of its assets, securing all monies due or to become due from the company and / or any of the other group companies.

Under the provisions of group registration for value added tax, the company and its fellow subsidiary companies are jointly liable for the indebtedness of each other.

15 Pension scheme

The Company is part of a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Company to the scheme and amounted to £29,000 (2019: £25,000).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

16 Ultimate controlling party and subsequent events

On 25 March 2021, Tinopolis Group Limited became the ultimate parent company. DMWSL 660 Limited had been the ultimate parent company prior to that date.

Tinopolis Group Limited is a company incorporated in England and Wales.

The largest group in which the results of the company are consolidated is that headed by Red Dragon Acquisitions Limited. The consolidated financial statements of these group accounts are available to the public and can be obtained from Tinopolis Centre, Park Street, Llanelli, Carmarthenshire, SA15 3YE.