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**OCTOBER FILMS LTD**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2019**

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## OCTOBER FILMS LTD

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**OCTOBER FILMS LTD**

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**COMPANY INFORMATION**

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**Directors**

Adam Bentley Bullmore  
Matthew Robins  
Jane Louise Manning  
Nathan Peachey

**Registered number**

02328023

**Registered office and principal  
place of business**

Benwell Studios  
11-13 Benwell Road  
London  
England  
N7 7BL

**Independent auditors**

Nyman Libson Paul  
Chartered Accountants & Statutory Auditors  
Regina House  
124 Finchley Road  
London  
NW3 5JS

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## OCTOBER FILMS LTD

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### STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

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#### Introduction

October Films Ltd, henceforth referred to as the 'Company', is an established UK independent and market renowned visual media production house specialising in documentaries and factually based entertainment.

Boulder Television Limited is the parent undertaking of the smallest group to consolidate the financial performance for the reporting period and financial position as at the reporting date of October Films Ltd.

#### Principal activities and review of the business

The principal activity of the Company during the reporting period continued to be that of the development, production and distribution of television programming. The directors do not anticipate any changes in those activities over the coming financial reporting period.

The Company's financial performance for the period ended, and financial position as at, 31 December 2019 are shown on pages 9 to 10 of the financial statements.

The directors consider the following as the relevant financial key performance indicators sufficient to ensure an appropriate understanding to the true underlying financial performance and position of the Company;

	Year ended 31 December 2019	Year ended 31 October 2018
Revenue share from continuing operations (%)		
- Development and production	95.9%	90.9%
- Distribution	4.1%	9.1%
Turnover growth (%)	48.8%	-51.0%
Gross profit margin (%)	29.0%	39.8%
Cash and cash equivalents (net of overdraft facilities) (£'m)	0.746	0.851
Current ratio	0.96	0.84

The development, performance and position of the Company, in the context of the Group as a whole, is discussed in the group financial statements of Boulder Television Limited which do not form part of this strategic report.

#### Principal risks and uncertainties

The key business risks and uncertainties affecting the Company, and the Group in which the Company is an undertaking, relate to the general economic environment, competition from other producers and distributors of television programming and the success of the Company's media content available for worldwide distribution. Further discussion of these risks and uncertainties, in the context of the Group as a whole, is provided in the group financial statements of Boulder Television Limited which do not form part of this strategic report.

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

  
**Nathan Peachey**  
Director

Date: 30/07/2020

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## OCTOBER FILMS LTD

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### DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

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The directors present their report and the financial statements for the period ended 31 December 2019.

#### Directors

The directors who served during the period were:

Denman Talbot Rooke (resigned 15 October 2019)  
Adam Bentley Bullmore  
Matthew Robins  
Jane Louise Manning  
Nathan Peachey

#### Results and dividends

The profit for the year, after taxation, amounted to £909,461 (2018 - loss £1,635,164).

Aggregated dividends of £439,502 and £650,000 were paid respectively during the current and preceding financial reporting periods.

As of the date upon which this report was approved, the directors have not recommended payment of a dividend in respect of the financial performance for the year ended 31 December 2019.

#### Financial risk management

The Company funds its operations through its trading activities and, where applicable, external loan financing on specific commissions. Through its trading activities the Company is exposed to certain levels of credit, currency and liquidity risk.

The Company's credit risk is primarily attributable to its trade receivables which the Company manages through the assessment of the credit risk of current and potential customers and ongoing review and collection of outstanding receivables. At the balance sheet date, there were no actual or potentially significant concentrations of credit risk aware of by the directors of the Company.

The Company enters into transactions that are denominated in currencies other than its functional currency, primarily the US Dollar and Euro, and is therefore exposed to movements in foreign currency exchange rates. Where exchange rates change between reporting periods, fluctuations in the reported results of the Company's operations may arise that are reflective of currency performance and not indicative of operating performance. The Company will therefore use currency specific bank facilities and forward currency contracts, where considered financially appropriate, to manage exposure to movements in foreign currency exchange rates.

Liquidity risk is monitored on an ongoing basis as part of the Company's day to day control activities and through periodic financial reviews and forecast exercises with action taken as considered necessary. Such action may include the acquisition of commercial credit and bank overdraft facilities as well as the retention of cash balances; thereby ensuring appropriate funding facilities are continually available within the Company.

#### Financial instruments

The Company's principal financial instruments comprise of bank balances, trade receivables and payables and, where necessary, forward currency contracts and credit facilities provided by financial institutions to the Company. Due to the nature of the financial instruments used by the Company there is no exposure to price risk. The Company does not follow any specific code nor standard practice on the payment of trade payables. The Company's policy is to adhere to agreed terms and conditions and ensure timely payment in accordance with these terms for all suppliers.

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## OCTOBER FILMS LTD

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### DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

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#### Future developments

There are no significant future developments to report as of the date this report was approved by the directors. The Company is expected to continue trading as historically observed.

#### Post balance sheet events

As of the date of this report being approved, there have been no significant events affecting the Company that have transpired after the reporting date to delineate.

#### Going concern

The Company meets its day to day working capital requirements through the utilisation of its own funds and its bank facilities. Although the potential effects of the coronavirus can be modelled, it is very difficult to determine the assumptions that will prove to be most appropriate and therefore there is an element of doubt existing that cannot be quantified.

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

#### Employees

The board of directors of Boulder Television Limited, the immediate parent undertaking of the Company, maintain the provision of information to, and consultation with, employees by regular and ad-hoc meetings of management and employees.

Applications for employment by disabled employees are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event members of staff become disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged.

It is the policy of the Company that the training, career development, and promotion of disabled persons should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their respective business units and of the Company as a whole.

The Company implements an open engagement policy with its employees to ensure they understand its business priorities, how they help to deliver business success and the opportunities available for them to thrive and develop.

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## OCTOBER FILMS LTD

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### DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

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#### 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 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 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to 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.

#### 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'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's auditors are aware of that information.

#### Auditors

The auditors, Nyman Libson Paul, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



**Nathan Peachey**  
Director

Date: 30/07/2020

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## OCTOBER FILMS LTD

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OCTOBER FILMS LTD

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#### Unqualified opinion on the financial statements

We have audited the financial statements of October Films Ltd (the 'Company') for the year ended 31 December 2019, which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 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.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



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## OCTOBER FILMS LTD

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OCTOBER FILMS LTD (CONTINUED)

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#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinion on other matters 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

#### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

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## OCTOBER FILMS LTD

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OCTOBER FILMS LTD (CONTINUED)

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#### Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### Use of our report

This report is made solely to the Company's members 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 for our audit work, for this report, or for the opinions we have formed.



Anthony Pins (senior statutory auditor)

for and on behalf of  
**Nyman Libson Paul**

Chartered Accountants  
Statutory Auditors

Regina House  
124 Finchley Road  
London  
NW3 5JS

Date: 30 July 2020

# OCTOBER FILMS LTD

## STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
Turnover	4	16,576,417	11,143,434
Cost of sales		(11,768,420)	(6,630,601)
<b>Gross profit</b>		<b>4,807,997</b>	<b>4,512,833</b>
Administrative expenses		(3,983,355)	(5,084,364)
Other operating income	5	266,038	407,518
Other operating charges		(1,059,803)	(1,651,539)
Fair value movements		236,177	110,021
<b>Operating profit/(loss)</b>	6	<b>267,054</b>	<b>(1,705,531)</b>
Share of profit/(loss) of associates		211,855	(125,271)
Income from fixed assets investments		666,140	-
Interest receivable	12	12,347	4,823
Interest payable	13	(4,026)	(8,546)
Other finance income		3,874	5,245
<b>Profit/(loss) before tax</b>		<b>1,157,244</b>	<b>(1,829,280)</b>
Tax on profit/(loss)	15	(247,783)	194,116
<b>(Loss)/profit for the reporting period</b>		<b>909,461</b>	<b>(1,635,164)</b>
Actuarial gains/(losses) on defined benefit pension scheme		3,341	(4,828)
Movement of deferred tax relating to pension surplus		-	934
<b>Other comprehensive income for the period</b>		<b>3,341</b>	<b>(3,894)</b>
<b>Total comprehensive income for the period</b>		<b>912,802</b>	<b>(1,639,058)</b>

The notes on pages 12 to 33 form part of these financial statements.

**OCTOBER FILMS LTD**  
**REGISTERED NUMBER: 02328023**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	17	649,280	912,692
Investments	18	594,067	368,174
		<u>1,243,347</u>	<u>1,280,866</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	19	50,271	298,054
Debtors: amounts falling due within one year	19	2,711,313	2,377,141
Cash at bank and in hand	20	746,953	850,694
		<u>3,508,537</u>	<u>3,525,889</u>
Creditors: amounts falling due within one year	21	(3,659,831)	(4,184,661)
<b>Net current liabilities</b>		<u>(151,294)</u>	<u>(658,772)</u>
<b>Total assets less current liabilities</b>		<u>1,092,053</u>	<u>622,094</u>
Pension liability/asset		-	(3,341)
<b>Net assets</b>		<u><u>1,092,053</u></u>	<u><u>618,753</u></u>
<b>Capital and reserves</b>			
Called up share capital	24	80	80
Capital redemption reserve	25	20	20
Profit and loss account	25	1,091,953	618,653
		<u>1,092,053</u>	<u>618,753</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30/07/2020.

  
**Nathan Peachey**  
 Director

The notes on pages 12 to 33 form part of these financial statements.

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**OCTOBER FILMS LTD**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2019**

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	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
<b>At 1 November 2017</b>	80	20	2,907,711	2,907,811
Loss for the period	-	-	(1,635,164)	(1,635,164)
Actuarial losses on pension scheme	-	-	(3,894)	(3,894)
Dividends: Equity capital	-	-	(650,000)	(650,000)
<b>At 1 January 2019</b>	80	20	618,653	618,753
Profit for the period	-	-	909,461	909,461
Actuarial gains on pension scheme	-	-	3,341	3,341
<b>Contributions by and distributions to owners</b>				
Dividends: Equity capital	-	-	(439,502)	(439,502)
<b>At 31 December 2019</b>	80	20	1,091,953	1,092,053

The notes on pages 12 to 33 form part of these financial statements.

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## OCTOBER FILMS LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

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#### 1. General information

October Films Ltd ('the Company') is a private company limited by shares, incorporated under the UK Companies Act 1985 and domiciled in England.

The address of the Company's registered office and principal place of business is Benwell Studios, 11 - 13 Benwell Road, London, N7 7BL.

The nature of the Company's operations and its principal activities are set out in the strategic report on page 2 of these financial statements.

#### 2. Accounting policies

##### 2.1 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all reporting periods presented, unless otherwise stated.

##### 2.2 Basis of preparation of financial statements

The financial statements of October Films Ltd have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland, and the Companies Act 2006.

The preparation of financial statements in conformity with Financial Reporting Standard 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies (see note 3).

##### 2.3 Comparative figures

Comparatives are for the period commencing 1 November 2017 and ending 31 December 2018.

##### 2.4 Functional and presentational currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency").

The functional currency of the Company, and the currency in which the financial statements are presented (the "presentational currency"), is 'Pounds Sterling' (£) rounded to the nearest single unit of currency.

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## OCTOBER FILMS LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

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## 2. Accounting policies (continued)

### 2.5 Foreign currency translation

Foreign currencies are translated into the functional (and presentational) currency using the exchange rates prevailing at the date of the respective transaction or valuation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account as part of total comprehensive income.

Changes in the fair value of forward foreign exchange contracts that economically hedge monetary assets and liabilities in foreign currencies, and for which no hedge accounting is applied, are recognised in profit or loss with the change in fair value of the forward foreign exchange contract recognised as a fair value movement within operating profit or loss and foreign exchange gains or losses relating to monetary items recognised within administrative expenditure.

### 2.6 Financial reporting standard 102 - reduced disclosure exemptions

The Company meets the definition of a qualifying entity as defined by Financial Reporting Standard 102 and has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland:

- the requirements of "Section 7: Statement of Cash Flows";
- the requirements of "Section 3: Financial Statement Presentation" paragraph 3.17(d);
- the requirements of "Section 33: Related Party Disclosures" paragraph 33.7
- the requirements of Section 11: Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c); and
- the requirements of Section 12: Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;

Equivalent information, where required, is included in publicly available consolidated financial statements prepared by a fellow group undertaking of the Company as outlined in note 32 of these financial statements.

### 2.7 Exemption from preparing consolidated financial statements

The Company is itself a subsidiary company and is exempt from the requirement to prepare consolidated financial statements by virtue of section 401 of the Companies Act 2006 on the grounds that the Company and its subsidiary undertakings are included by full consolidation in the group financial statements of Boulder Television Limited (see note 32).

The financial statements therefore present information about the Company as an individual undertaking and not about its group.

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## OCTOBER FILMS LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

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## 2. Accounting policies (continued)

### 2.8 Going concern

The Company meets its day to day working capital requirements through the utilisation of its own funds and its bank facilities. Although the potential effects of the coronavirus can be modelled, it is very difficult to determine the assumptions that will prove to be most appropriate and therefore there is an element of doubt existing that cannot be quantified.

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

### 2.9 Revenue

Turnover comprises of revenues receivable by the Company during the financial reporting period in respect of the following:

- Supply of television programming development and production services, and;
- Royalties receivable from the exploitation of distribution rights held in television programming.

Revenues in respect of development and production services comprise of fees and other pre-sales receivable, exclusive of Value Added Tax, in exchange for the provision of a contract for services; with recognition made, in respect of production services, by reference to the stage of completion of contract activity at the balance sheet date; and in respect of development services, over the period of the activity in line with expenditure incurred. Where it is probable that the total costs on a contract will exceed total contract revenue, the expected loss is immediately recognised as an expense in profit or loss.

Royalties and other similar revenues on the exploitation of distribution rights held are recognised once the Company has been notified of sums due to it.

The Company does not expect to have any contracts where the period between the transfer of the contracted services and related payment exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

### 2.10 Operating leases

Operating leases, net of benefits receivable as an incentive, are charged to the profit and loss account on a straight line basis over the lease term.

### 2.11 Employee benefits

#### Defined contribution pension schemes

The Company operates a defined contribution plan for its employees and on behalf of certain employees makes direct contributions to their personal pension schemes.

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations. The contributions are recognised as an expense in profit or loss on an accruals basis as they become payable under the respective schemes' rules. Amounts not paid are shown as part of other creditors in the balance sheet. The assets of the respective plans are held separately from the Company in independently administered funds.



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## OCTOBER FILMS LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

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#### 2. Accounting policies (continued)

##### 2.11 Employee benefits (continued)

###### Defined benefit pension schemes

The Company operates and contributes towards a single employer defined benefit pension scheme, classified as small and self-administered, on behalf of eligible employees.

Defined benefit pension schemes are post-employment benefit plans other than defined contribution plans. Under defined benefit pension schemes, the scheme's operator has an obligation to provide the agreed upon benefit to both current and former members of the scheme, such that actuarial risk surrounding the cost of benefits, and investment risk surrounding the return on assets set aside to fund those benefits are borne, in substance, by the scheme's operator.

The Company, as operator of such a scheme, recognises a liability for its obligations under the scheme net of the respective scheme's assets. This net defined benefit liability is measured as the estimated amount of benefit that members of the scheme have earned in return for their service in current and prior reporting periods, discounted to determine its present value, less the fair value (at bid price) of scheme assets.

The aforementioned calculation is performed at each balance sheet date on behalf of the Company by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the Company is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

Actuarial gains and/or losses arising from experience adjustments and changes in actuarial assumptions, along with the related deferred taxation (see note 2.12), are recognised within other comprehensive income.

The cost of the defined benefit pension scheme is recognised in profit or loss as employee costs when the Company has a legal or constructive obligation to make payments as a result of past events and a reliable estimate of the obligation can be made, except where included in the cost of an asset. The cost comprises of:

- the increase in net pension benefit liability arising from employee service; and
- the cost of plan introductions, benefit changes, curtailments and/or settlements.

Expected returns on scheme assets are recognised in profit or loss as part of other finance income. The interest cost on scheme liabilities is calculated by applying the discount rate to the balance of the defined benefit obligation and is recognised in profit or loss as a part of interest payable.

##### 2.12 Taxation

The tax expense for the financial reporting period comprises of current and deferred tax and is recognised in profit or loss; except in the case of actuarial gains and losses as outlined in note 2.11 to the financial statements.

Current taxation is calculated using tax rates and on the basis of tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. The directors of the Company periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and will establish provisions, where appropriate, on the basis of amounts expected to be payable to the respective tax authorities.

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## OCTOBER FILMS LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

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## 2. Accounting policies (continued)

### 2.12 Taxation (continued)

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their respective carrying amounts in the financial statements.

Deferred tax is calculated using tax rates and on the basis of tax laws enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred tax asset/liability is realised/settled.

Deferred tax assets are recognised only to the extent that it is sufficiently probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the respective deferred tax assets and liabilities relate to current taxation levied by the same tax authority.

### 2.13 Tangible fixed assets

Tangible fixed assets are recognised under the cost model and 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 upon acquisition.

Depreciation is provided on the following basis:

Leasehold property	- Straight line over the term of the lease
Other fixed assets	- Straight line over 4 years

Depreciation of a tangible fixed asset commences once the asset is available for use. The residual value and depreciation basis of tangible fixed assets are reviewed, and adjusted prospectively where deemed appropriate, if there is an indication of a significant change since the last balance sheet date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

### 2.14 Fixed asset investments

Fixed asset investments comprise of the following:

#### Holdings in unlisted company shares of subsidiary undertakings

Such holdings are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at cost less provision for impairment at the reporting date.

#### Holdings in unlisted company shares of associated undertakings

Such holdings are a form of financial instrument. The Company accounts for its interests in associated undertakings using the equity method. Under this method, the Company recognises its investment in the associated undertaking at cost and subsequently adjusts this for its share of profits or losses, recognised in profit or loss within non-operating items, and accumulated provision for impairment.

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## OCTOBER FILMS LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

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#### 2. Accounting policies (continued)

##### 2.15 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities; with said financial assets and liabilities classified in accordance with the substance of the underlying contractual obligations rather than its legal form.

Financial assets and liabilities are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or the financial asset is transferred along with substantially all the risks and rewards of ownership of the asset to another party. Financial liabilities are derecognised only when the Company's obligations are discharged, cancelled or expired.

The measurement of specific financial assets (other than investments), financial liabilities, and equity held by the Company is as outlined below:

##### Debtors and creditors

Debtors, excluding deferred taxation (see note 2.12), and creditors deemed to be short term in nature are initially measured at transaction price (i.e fair value) and subsequently held, at transaction price less provision for impairment of assets. The Company held no debtors, excluding deferred taxation, and/or creditors deemed not to be short term in nature during the current or preceding financial reporting periods.

##### Cash and cash equivalents

Cash balances are reported by the Company as being financial instruments classified as short term receivables and are represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours and subject to an insignificant risk of changes in value. Cash and cash equivalents are held at floating interest rates linked to UK bank rates.

##### Derivatives

During the current and preceding financial reporting periods, the Company entered into forward foreign exchange contracts, not designated and effective as a hedging instrument, to manage its exposure to foreign exchange rate risk (see note 21).

Such derivatives are initially, and subsequently re-measured at each reporting date, at fair value with any gains or losses on re-measurement immediately recognised in profit or loss (see note 2.6). A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a fixed asset or long-term liability if the remaining maturity is more than 12 months and is not expected to be realised or settled within 12 months of the reporting date. Other derivatives are presented as current assets or current liabilities.

##### Equity and dividends

Ordinary share capital, shown in equity, is initially measured at transaction price. There were no costs directly attributable to Ordinary share capital issued by the Company.

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## OCTOBER FILMS LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

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#### 2. Accounting policies (continued)

##### 2.15 Financial instruments (continued)

Equity dividends are recognised in the reporting period in which they become legally payable within the statement of changes in equity upon approval by the Company's shareholders.

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

In the opinion of the directors, there were no areas of judgment in applying the principal accounting policies, outlined in note 2 of these financial statements, towards the preparation of these financial statements that may be considered as having a significant risk of causing a material adjustment to the carrying amount of assets and/or liabilities carried forward as at the balance sheet date where by which the actual future outcome observed may differ from that originally determined and reported.

In preparing the Company's financial statements, the directors may make estimates and assumptions concerning events that have transpired, or were ongoing, during the financial reporting period and continued after the balance sheet date. The resulting accounting estimates will, by definition, seldom equal the related actual results. In the opinion of the directors, there were no estimates and/or assumptions made towards the preparation of these financial statements that would be considered as having a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial reporting period.

#### 4. Turnover

An analysis of turnover by class of business is as follows:

	2019 £	2018 £
Provision of television programming development and production services	15,891,041	10,131,182
Royalties and other fees on exploitation of distribution rights	685,376	1,012,252
	<u>16,576,417</u>	<u>11,143,434</u>

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	4,045,969	3,206,023
Rest of the world	12,530,448	7,937,411
	<u>16,576,417</u>	<u>11,143,434</u>

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**OCTOBER FILMS LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019**

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**5. Other operating income**

	2019 £	2018 £
Provision of office space and related facilities	266,038	347,228
Management and resource fees receivable	-	60,290
	<u>266,038</u>	<u>407,518</u>

**6. Operating profit/(loss)**

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

	2019 £	2018 £
Depreciation of tangible fixed assets	302,420	372,011
Loss on disposal of tangible fixed assets	(3,483)	4,030
Defined contribution pension cost	54,845	21,086
Net foreign currency exchange differences	93,563	(473,143)
Operating lease charges - land and buildings	468,252	658,307
Operating lease charges - other	34,440	40,180

**7. Auditors' remuneration**

The following amounts were due by the Company to its auditors in respect of statutory audit and other professional services provided.

	2019 £	2018 £
Statutory audit services	37,539	30,000
Taxation compliance services	5,515	5,000
Other services	<u>34,206</u>	<u>6,961</u>

The aforementioned amounts are inclusive of fees borne by the Company on behalf of the following fellow group undertakings of the Company in respect of audit and other professional services for the financial reporting year ended 31 December 2019 provided by the Company's auditors:

- October Films Inc
- Brutal October Limited

No fees were payable by the Company to its auditor in respect of the Company's defined benefit pension scheme.

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**OCTOBER FILMS LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019**

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**8. Employees**

	2019 £	2018 £
Wages and salaries including directors' remuneration	1,803,701	2,313,467
Social security costs	203,695	203,357
Costs in respect of defined benefit pension schemes	-	129,216
Costs in respect of defined contribution pension schemes	28,387	21,086
	<u>2,035,783</u>	<u>2,667,126</u>

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

	2019 No.	2018 No.
Administration, technical and production	<u>43</u>	<u>59</u>

**9. Key management personnel**

The directors of the Company are recognised as being the key management personnel of the Company. It is these individuals whom together hold joint responsibility for planning, directing and controlling the activities of the Company.

As the Company forms part of a group for which consolidated financial statements are prepared and the results of the Company are included within as part of the consolidation, the Company has taken advantage of the exemption provided by paragraph 33.7 of Financial Reporting Standard 102 not to disclose total key management compensation as part of these financial statements.

**10. Directors' remuneration**

	2019 £	2018 £
Directors' emoluments	339,893	340,092
Costs in respect of defined contribution pension schemes	6,664	3,713
	<u>346,557</u>	<u>343,805</u>

During the reporting period retirement benefits were accruing for 4 directors (2018: 4) in respect of defined contribution pension schemes.

During the current reporting period, the highest paid director received remuneration of £180,000 and for whom company's contributions in respect of defined contribution pension schemes amounted to £1,446.

During the preceding reporting period, aggregate emoluments paid to directors by the Company and its subsidiary undertakings did not exceed £200,000.

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OCTOBER FILMS LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019

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**11. Income from investments**

	2019 £	2018 £
Dividends received from unlisted investments	666,140	-

**12. Interest receivable**

	2019 £	2018 £
Interest receivable from group undertakings	2,020	1,071
Other interest receivable	10,327	3,752
	<u>12,347</u>	<u>4,823</u>

**13. Interest payable and similar expenses**

	2019 £	2018 £
Bank interest payable	152	1,565
Other interest payable	3,874	6,981
	<u>4,026</u>	<u>8,546</u>

**14. Other finance income**

	2019 £	2018 £
Returns on defined benefit pension scheme assets	3,874	5,245

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**OCTOBER FILMS LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019**

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**15. Taxation**

	2019 £	2018 £
<b>Corporation tax</b>		
Adjustments in respect of previous periods	-	37,325
Group taxation relief	-	(31,240)
<b>Total current tax</b>	<u>-</u>	<u>6,085</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	247,783	(245,363)
Adjustments in respect of previous periods	-	45,162
<b>Total deferred tax</b>	<u>247,783</u>	<u>(200,201)</u>
<b>Taxation on ordinary activities</b>	<u>247,783</u>	<u>(194,116)</u>

**Factors affecting tax charge for the reporting period**

The tax assessed for the financial reporting period is the same as (2018 - the same as) the standard rate of corporation tax in the UK of 19% (2018 - 19%) as set out below:

	2019 £	2018 £
Profit/(loss) on ordinary activities before tax	<u>1,157,244</u>	<u>(1,829,280)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	219,876	(347,563)
<b>Effects of:</b>		
Adjustments to current taxation charge in respect of prior periods	-	37,325
Expenses not deductible for tax purposes	8,397	8,357
Group relief surrendered but not compensated for	-	33,738
Other permanent differences leading to a decrease in tax charge	7,010	7,161
Short term timing difference leading to an increase (decrease) in taxation	28,949	-
Adjustments to deferred taxation charge in respect of prior periods	-	45,162
Deferred tax charge relating to changes in tax rates or laws	110,118	21,704
Dividends from UK companies	(126,567)	-
<b>Total tax charge for the reporting period</b>	<u>247,783</u>	<u>(194,116)</u>



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OCTOBER FILMS LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019

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15. Taxation (continued)

**Factors that may affect future tax charges**

At Summer Budget 2015, the government announced legislation setting the Corporation Tax main rate at 19% for the years starting 1 April 2017, 2018 and 2019 and at 18% for the year starting 1 April 2020. A further reduction to 17% for the year starting 1 April 2020 was announced at Budget 2016.

At Budget 2020, the government announced that the Corporation Tax main rate for the years starting 1 April 2020 and 2021 would remain at 19%.

There are no further factors to report that may affect future taxation charges.

16. Dividends

	2019 £	2018 £
<b>Ordinary shares</b>		
Equity dividends paid: £5.494 (2018: £8.125) per £1 share	439,502	650,000

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**OCTOBER FILMS LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019**

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**17. Tangible fixed assets**

	Short-term leasehold property £	Plant and machinery £	Office equipment £	Computer equipment £	Total £
<b>Cost</b>					
At 1 January 2019	673,158	373,644	657,289	389,351	2,093,442
Additions	30,851	2,508	5,494	3,498	42,351
Disposals	(81,426)	(6,296)	(168,296)	(5,175)	(261,193)
At 31 December 2019	<u>622,583</u>	<u>369,856</u>	<u>494,487</u>	<u>387,674</u>	<u>1,874,600</u>
<b>Depreciation</b>					
At 1 January 2019	203,514	290,993	441,153	245,090	1,180,750
Charge for the period on owned assets	62,131	45,407	115,939	78,943	302,420
Disposals	(81,426)	(6,296)	(168,296)	(1,832)	(257,850)
At 31 December 2019	<u>184,219</u>	<u>330,104</u>	<u>388,796</u>	<u>322,201</u>	<u>1,225,320</u>
<b>Net book value</b>					
At 31 December 2019	<u>438,364</u>	<u>39,752</u>	<u>105,691</u>	<u>65,473</u>	<u>649,280</u>
At 31 December 2018	<u>469,644</u>	<u>82,651</u>	<u>216,136</u>	<u>144,261</u>	<u>912,692</u>

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## OCTOBER FILMS LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

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#### 18. Fixed asset investments

	Investments in subsidiary companies £	Investments in associates £	Total £
<b>Cost</b>			
At 1 January 2019	91	368,083	368,174
Additions	-	36,465	36,465
Foreign exchange movement	-	(22,427)	(22,427)
Share of profit/(loss)	-	211,855	211,855
At 31 December 2019	91	593,976	594,067

#### Subsidiary companies

Investments in subsidiary undertakings comprise of equity holdings in the issued Ordinary share capital of the following non-publicly traded entities, all of which are incorporated under the UK Companies Act 2006, domiciled in England and whose registered office address is Benwell Studios, 11-13 Benwell Road, London, United Kingdom, N7 7BL:

	<b>Voting rights</b>
Brutal October Limited	51%
October Film Studios Limited	80%

#### Associated companies

Investments in associated undertakings comprise of a 25% equity holding in the issued Ordinary share capital of Talos Films LLC, a non-publicly traded entity incorporated in the state of Delaware, USA and whose registered agent office address is 874 Walker Road, Suite C, Dover, Delaware, 19904.

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OCTOBER FILMS LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019

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19. Debtors

	2019 £	2018 £
<b>Due after more than one year</b>		
Deferred taxation	50,271	298,054
	<u>50,271</u>	<u>298,054</u>
<b>Due within one year</b>		
Trade debtors	692,361	43,120
Amounts owed by group undertakings	356,123	621,824
Other debtors	68,488	162,747
Prepayments and accrued income	1,248,143	1,439,429
Financial instruments	346,198	110,021
	<u>2,711,313</u>	<u>2,377,141</u>

Amounts owed by group undertakings falling due within one year and amounting to £84,133 (2018: £484,705) are unsecured, interest-free and repayable on demand with no fixed date for repayment.

Amounts owed by group undertakings falling due within one year and amounting to £271,990 (2018: £137,119) are unsecured, interest-bearing and repayable on demand with no fixed date for repayment.

Trade and other debtors falling due within one year are non-interest bearing and their fair value is not materially different from their carrying value.

As at 31 December 2019, the provision for impairment against trade and other debtors falling due within one year was £nil (2018: £nil) as these assets were deemed fully recoverable.

20. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	746,953	850,694
	<u>746,953</u>	<u>850,694</u>

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## OCTOBER FILMS LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

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#### 21. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	193,040	276,486
Amounts owed to group undertakings	1,182,042	39,884
Other taxation and social security	90,477	106,891
Other creditors	13,000	44,740
Accruals and deferred income	2,181,272	3,716,660
	<u>3,659,831</u>	<u>4,184,661</u>

Amounts owed by group undertakings falling due within one year and amounting to £1,182,042 (2018: £39,884) are unsecured, interest-free and repayable on demand with no fixed date for repayment.

#### 22. Financial instruments

##### Other derivatives

	31 December 2019		31 December 2018	
	Current assets	Current liabilities	Current assets	Current liabilities
	£	£	£	£
Other derivatives	346,198	-	271,035	(161,015)

Other derivatives comprise of forward foreign exchange currency contracts classified as 'held for trading'.

The Company uses derivative financial instruments to cover its exposure to foreign exchange risks arising from operational activities. It principally employs forward foreign exchange contracts to hedge against changes in exchange rates over fixed terms of between three and twelve months.

Derivative financial instruments are recognised at fair value and during the current and preceding financial reporting periods, derivative financial instruments held by the Company were not designated as hedges and were therefore required to be classified as 'held for trading' with changes in their underlying fair values recognised in profit or loss as they arose.

Derivative financial instruments used by the Company are not traded in an active market; however, their fair values are based on currency broker prices and are therefore measured at fair value through profit or loss in accordance with IFRS 13 classification hierarchy Level 2

The Company held no other financial instruments during either the current or preceding financial reporting periods that would be considered reportable under sections 1.12, 11 or 12 of Financial Reporting Standard 102 and paragraph 36 of Schedule 1 to the Companies Act 2006.

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OCTOBER FILMS LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019

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**23. Deferred taxation**

	2019 £
At beginning of reporting period	298,054
Charged to profit or loss	(247,783)
<b>At end of reporting period</b>	<b>50,271</b>

The net deferred taxation asset/(liability) carried forward is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	29,309	3,225
Tax losses carried forward	20,962	290,269
Other timing differences	-	4,560
	<b>50,271</b>	<b>298,054</b>

**24. Share capital**

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
80 Ordinary shares of £1.00 each	80	80

**25. Reserves**

**Capital redemption reserve**

The capital redemption reserve of £20 (2018: £20) includes all amounts transferred following the redemption or purchase of the Company's own share capital.

**Profit and loss account**

The profit and loss account of £1,091,953 (2018: £618,653) includes all current and prior period retained profits and (losses), inclusive of actuarial movements and associated movements in respect of deferred tax on defined benefit pension schemes, net of amounts distributed to the Company's equity shareholders.

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## OCTOBER FILMS LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

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#### 26. Capital commitments

In a previous financial reporting period, the Company entered into an agreement with associated undertaking Talos Films LLC, a corporate entity registered in the USA, to acquire 25% of Talos Films LLC's issued share capital in exchange for the provision of management services, resources and cash investment; the value of which is estimated on the date of the agreement to be US\$ 1.2 million.

The directors are of the opinion that as the agreement includes a clause which states that the value of services provided and cash invested by the Company may change given the performance of Talos Films LLC; it would not be considered prudent to recognise the investment at its gross estimated value, as per the agreement, along with a corresponding net liability due to Talos Films LLC.

The directors therefore agree, and have reflected as such in these financial statements, that it would be far more prudent to recognise the change in investment value as and when management services and resources are provided and cash is invested.

#### 27. Pension commitments

##### Defined contribution pension schemes

The Company operates a defined contribution pension scheme for all qualifying employees and makes lump sum contributions towards the personal pension schemes of certain employees. The assets of the relevant schemes are held separately from those of the Company in independently administered funds.

The pension cost charge represents contributions payable by the Company to the respective funds in the financial reporting period and for the period ended 31 December 2019 amounted to £28,387 (2018: £21,086).

Contributions payable totalling £nil (2018: £nil) were outstanding at the reporting date and are included in creditors falling due within one year.

##### Defined benefit pension schemes

For defined benefit plans, current and past service costs and losses on settlement are recognised in profit or loss as part of wages and salaries, actuarial movements are recognised in other comprehensive income and the interest cost and expected return on assets are recognised in profit or loss as a part of interest payable and other finance income respectively.

Scheme assets are measured at fair value. Liabilities are measured on an actuarial basis using the projected unit method and are discounted at an estimated rate of return based on 'AA-rated' corporate bonds of equivalent currency and term to the scheme liabilities. Actuarial valuations are obtained at each financial reporting date and reported scheme assets and liabilities updated accordingly. The resulting defined benefit asset or liability, net of the related deferred taxation, is presented separately as a pension asset or liability in the balance sheet.

During the reporting period, the Company contributed to a funded defined benefit pension scheme: the October Films DB SSAS. The underlying assets of the scheme were held in separate trustee administered funds.

##### October Films DB SSAS

The October Films DB SSAS is a single-employer defined benefit pension scheme established in January 2018. A director of the Company was a member of the defined benefit pension scheme.

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**OCTOBER FILMS LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019**

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**27. Pension commitments (continued)**

The scheme ceased with director's benefits transferred a specified personal pension scheme on 25 June 2019.

Reconciliation of present value of pension scheme liabilities:

	2019 £	2018 £
At the beginning of the reporting period	309,951	180,150
Current service cost	-	129,216
Interest cost	3,874	5,245
Actuarial gains	-	(5,245)
(Gain)/loss on settlement	(7,273)	-
Deferred tax on actuarial gains	-	585
Value transferred in cash on settlement	(306,552)	-
<b>At the end of the reporting period</b>	<b>-</b>	<b>309,951</b>

Reconciliation of fair value of pension scheme assets:

	2019 £	2018 £
At the beginning of the reporting period	306,610	201,605
Expected return on plan assets	3,874	5,245
Actuarial losses	-	(10,073)
Contributions	-	108,314
Gain/(loss) on settlement	(3,932)	-
Deferred tax on actuarial losses	-	1,519
Value transferred in cash on settlement	(306,552)	-
<b>At the end of the reporting period</b>	<b>-</b>	<b>306,610</b>

The composition of pension scheme assets as a percentage of total pension scheme assets at the balance sheet date were as follows:

	2019 %	2018 %
Managed funds	-	85
Cash balances	-	15
<b>Total plan assets</b>	<b>-</b>	<b>100</b>



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OCTOBER FILMS LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019

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**27. Pension commitments (continued)**

	2019 £	2018 £
Fair value of pension scheme assets	-	306,610
Present value of pension scheme liabilities	-	(309,951)
<b>Net pension scheme (liability)/asset</b>	<b>-</b>	<b>(3,341)</b>

The amounts recognised in profit or loss are as follows:

	2019 £	2018 £
Current service cost	-	(129,216)
Expected return on pension scheme assets	3,874	5,245
Interest on pension scheme liabilities	(3,874)	(5,245)
<b>Total</b>	<b>-</b>	<b>(129,216)</b>

**28. Commitments under operating leases**

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	556,265	556,685
Later than 1 year and not later than 5 years	2,136,960	2,172,700
Later than 5 years	890,847	1,405,975
	<b>3,584,072</b>	<b>4,135,360</b>

**29. Transactions with directors**

During the reporting period, the Company provided a director with an unsecured loan account. The loan account is repayable on demand with interest charged by the Company at the HMRC official rate of interest per annum upon the balance due by the director. During the reporting period, interest of £934 (2018: £nil) was charged by the Company and at the reporting date, the Company was owed £nil (2018: £54,713) by the director.

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## OCTOBER FILMS LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

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#### 30. Related party transactions

##### Wholly-owned group undertakings

As the Company forms part of a group for which consolidated financial statements are prepared and the results of the Company are included within as part of the consolidation, the Company has taken advantage of the exemptions provided by Section 33 of Financial Reporting Standard 102 from the requirement to disclose transactions undertaken or balances carried forward as at the reporting date between the Company and its fellow wholly-owned group undertakings. Outstanding aggregated balances with the Company's fellow wholly-owned group undertakings as at the reporting date are disclosed within notes 19 and 21 of the financial statements.

##### Other related parties

During the reporting period, the Company entered into trading arrangements with October Film Studios Limited, a subsidiary undertaking of the Company, to provide, and be provided with, television programming production services. The trading arrangements were at arms length under normal commercial terms. Amounts included in turnover and cost of sales in respect of said services amounted to £726,612 and £5,964,316 respectively (2018: £1,870,733 and £1,196,613). In addition to aforementioned, recharges amounting to £68,268 (2018: £12,903) were recharged to October Films Studios Limited during the reporting period.

During the year, a dividend of £40,122 (2018: £nil) was received from October Films Studios Limited.

At the reporting date aggregated balances owed by the Company to October Film Studios Limited amounted to £1,182,042 (2018: £48,021).

During the reporting period, the Company provided Brutal October Limited, a subsidiary undertaking of the Company, with television programming production services. The trading arrangements under which services were provided were at arms length under normal commercial terms. Amounts included in turnover in respect of said services amounted to £542,040 (2018: £1,019,897). In addition to aforementioned, distribution income received from Brutal October Limited amounted to £11,507 (2018: £nil).

During the reporting period the Company received dividends of £626,018 (2018: £nil) from Brutal October Limited.

At the reporting date the Company was owed £nil by Brutal October Limited (2018: £444,772).

There were no other significant related party transactions and/or period end balances to report as part of these financial statements.

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## OCTOBER FILMS LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

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#### 31. Post balance sheet events

Since 31 December 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

In March 2020, in response to guidance and direction issued by the Government, the Company came to the decision to temporarily stop production until further notice.

The Company has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31 December 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

#### 32. Controlling party

The immediate parent undertaking is Boulder Television Limited by virtue of a 100% interest in the total issued share capital of October Films Ltd.

Boulder Television Limited is incorporated under the UK Companies Act 1985 and whose registered office is located at Benwell Studios, 11 - 13 Benwell Road, London, N7 7BL.

In October 2019, October Holdings Limited became the ultimate parent company, however the group's financial statements for the year ended 31 December 2019 will be consolidated up to Boulder Television Limited, as October Holdings Limited only became the ultimate parent company late into the year. Copies of the aforementioned consolidated financial statements for Boulder Television Limited, are available from Benwell Studios, 11 - 13 Benwell Road, London, N7 7BL.