

**Company Registration Number 02503356**

**Goldcrest Investment Holdings Limited**

**Annual Report and Financial Statements**

**For the year ended 31 December 2016**

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# **Goldcrest Investment Holdings Limited**

## **Annual report and financial statements For the year ended 31 December 2016**

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# **Goldcrest Investment Holdings Limited**

## **Officers and professional advisers**

### **Directors**

J Quested  
N Quested  
C Quested

### **Registered Office**

1 Lexington Street  
London  
W1F 9AF  
United Kingdom

### **Bankers**

Coutts & Co  
440 Strand  
London  
WC2R 0QS  
United Kingdom

### **Solicitors**

Marriott Harrison  
11 Staple Inn  
London  
WC1V 7QH  
United Kingdom

### **Auditor**

Nyman Libson Paul  
Chartered Accountants and Statutory Auditor  
London  
NW3 5JS  
United Kingdom

# **Goldcrest Investment Holdings Limited**

## **Strategic report**

This strategic report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to Goldcrest Investment Holdings Limited and its subsidiary undertakings when viewed as a whole.

### **Principal activities**

The principal activities of Goldcrest Investment Holdings Limited is to act as a holding company for its subsidiaries, which provide film and television services, comprising of the licensing, production, post production, financing, marketing and distribution of film and television programmes.

### **Review of the business**

Turnover has increased by 20% on last year to £10.95m (2015: £9.13m). After a period of significant investment in the UK post production business, the resultant growth in turnover has meant that the Group results now show an operating profit of £0.59m (2015: operating loss of £1.25m). The Directors expect this trend to continue with further turnover and profitability growth expected in 2017 and beyond. As the cost of debt is reduced

The group net current liability position was £5.95m at the balance sheet date (2015: £1.88m) with net liabilities increasing to £12.98m (2015: £12.66m).

### **Key performance indicators**

Revenue, profit before tax and net assets are considered key performance indicators.

### **Principal risks and uncertainties**

The Group's activities expose it to a number of financial risks including credit risk and liquidity risk. The Company does not use derivatives to manage its financial risks. For further information see the directors' report on page 4.

#### ***Global recession risk***

A sudden downturn in revenues or profits caused by a global recession could reduce spending which might result in a reduction in profitability and operating cash flow. In the event of such a reduction in profits and/or cash flow, the directors have the ability to make a number of mitigating actions.

#### ***Cyber security risk***

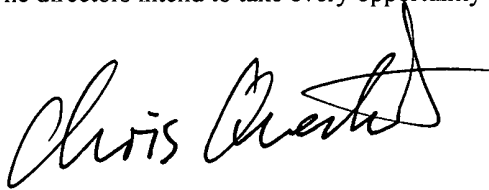
Like many organisations, the Group is at risk from cyber-attack. This presents a potentially serious risk disruption to our ability to provide post production services and could have an impact on the profitability of the business and the security of intellectual property assets. The Group uses firewalls and IT controls to prevent attack as well as maintaining offsite backup of intellectual property and other computerised records. For added assurance as to the Group's cyber security, the Group's post production facilities are regularly audited by the major Hollywood film studios as well as by the MPAA.

# **Goldcrest Investment Holdings Limited**

## **Strategic report (continued)**

### **Future developments**

The directors intend to take every opportunity to develop the business and future prospects.

A handwritten signature in black ink, appearing to read 'Chris Quested', with a stylized flourish at the end.

C Quested  
Director

27 September 2017

1 Lexington Street, London W1F 9AF

# **Goldcrest Investment Holdings Limited**

## **Directors' report**

The directors present their annual report on the affairs of the Group, together with the financial statements and auditors report, for the year ended 31 December 2016.

### **Going concern**

The directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in the financial statements.

### **Financial risk management objectives and policies**

The Group's activities expose it to a number of financial risks including credit risk and liquidity risk. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The Group does not use derivative financial instruments for speculative purposes.

#### ***Credit risk***

The Group's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

#### ***Liquidity risk***

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

### **Dividends**

The Directors do not propose any dividends during the financial year (2015: £nil).

### **Directors**

The directors, who served throughout the year and subsequently except as noted, were as follows:

J Quested  
N Quested  
C Quested

## Goldcrest Investment Holdings Limited

### Directors' report (continued)

#### Auditor

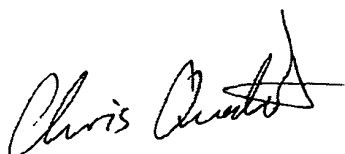
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Nyman Libson Paul has expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by:



C Quested

Director

27 September 2017

1 Lexington Street, London W1F 9AF

# **Goldcrest Investment Holdings Limited**

## **Directors' responsibilities statement**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## **Independent auditor's report to the member of Goldcrest Investment Holdings Limited**

We have audited the consolidated financial statements of Goldcrest Investment Holdings Limited ("the Group") and its subsidiaries for the year ended 31 December 2016 which comprise the Consolidated Profit and Loss account, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statements of Changes in Equity, the Group Cash Flow Statement, and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 and the Financial Reporting Standards applicable in the UK and Republic of Ireland.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Group and the parent Company's affairs as at 31 December 2016 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

## **Independent auditor's report to the member of Goldcrest Investment Holdings Limited (continued)**

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Anthony Pins (Senior Statutory Auditor)  
for and on behalf of Nyman Libson Paul  
Chartered Accountants and Statutory Auditor  
London, United Kingdom  
27 September 2017

## Goldcrest Investment Holdings Limited

### Consolidated profit and loss account For the year ended 31 December 2016

	Note	2016 £'000	2015 £'000
Turnover	3	10,945	9,130
Cost of sales		(4,575)	(4,380)
<b>Gross profit</b>		<b>6,370</b>	<b>4,750</b>
Administrative expenses		(6,635)	(6,716)
Other operating income		859	713
<b>Operating profit / (loss)</b>		<b>594</b>	<b>(1,253)</b>
Finance costs (net)	4	(991)	(617)
<b>Loss on ordinary activities before taxation</b>	5	<b>(397)</b>	<b>(1,870)</b>
Tax on loss on ordinary activities	8	-	(8)
<b>Loss for the financial year</b>	9	<b>(397)</b>	<b>(1,878)</b>

## **Goldcrest Investment Holdings Limited**

### **Consolidated statement of comprehensive income For the year ended 31 December 2016**

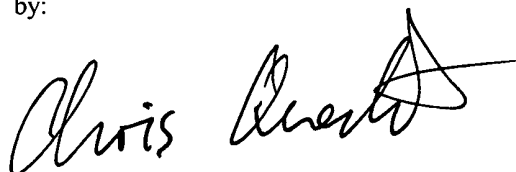
	<b>2016 £'000</b>	<b>2015 £'000</b>
<b>Loss for the financial year</b>	(397)	(1,878)
Currency translation difference on foreign currency net investments	<u>79</u>	<u>(44)</u>
<b>Total comprehensive expense</b>	<u><u>(318)</u></u>	<u><u>(1,922)</u></u>

# Goldcrest Investment Holdings Limited

## Consolidated balance sheet As at 31 December 2016

	Notes	2016 £'000	2015 £'000
<b>Fixed assets</b>			
Tangible assets	10	5,875	5,473
		<u>5,875</u>	<u>5,473</u>
<b>Current assets</b>			
Stocks	12	653	638
Debtors – due within one year	13	7,698	7,162
Cash at bank and in hand		681	767
		<u>9,032</u>	<u>8,567</u>
<b>Creditors: Amounts falling due within one year</b>	14	<u>(14,977)</u>	<u>(10,450)</u>
<b>Net current (liabilities) / assets</b>		<u>(5,945)</u>	<u>(1,883)</u>
<b>Total assets less current liabilities</b>		(70)	3,590
<b>Creditors: Amounts falling due after more than one year</b>	15	<u>(12,912)</u>	<u>(16,254)</u>
<b>Net liabilities</b>		<u>(12,982)</u>	<u>(12,664)</u>
<b>Capital and reserves</b>			
Called-up share capital	16	43	43
Share premium account	16	165	165
Capital redemption reserve		1,434	1,434
Profit and loss account		<u>(14,624)</u>	<u>(14,306)</u>
<b>Shareholders' deficit</b>		<u>(12,982)</u>	<u>(12,664)</u>

The financial statements of Goldcrest Investment Holdings Limited (registration number 02503356) were approved by the board of directors and authorised for issue on 27 September 2017. They were signed on its behalf by:



C Quested  
Director

# Goldcrest Investment Holdings Limited

## Company balance sheet As at 31 December 2016

	Notes	2016 £'000	2015 £'000
<b>Fixed assets</b>			
Investments	11	11,394	11,394
		<u>11,394</u>	<u>11,394</u>
<b>Current assets</b>			
Debtors – due within one year	13	3,004	2,620
		<u>3,004</u>	<u>2,620</u>
<b>Creditors: Amounts falling due within one year</b>	14	<u>(9,063)</u>	<u>(9,049)</u>
<b>Net current liabilities</b>		<u>(6,059)</u>	<u>(6,429)</u>
<b>Total assets less current liabilities</b>		<u>5,335</u>	<u>4,965</u>
<b>Net assets</b>		<u>5,335</u>	<u>4,965</u>
<b>Capital and reserves</b>			
Called up share capital	16	43	43
Share premium account	16	165	165
Profit and loss account		<u>5,127</u>	<u>4,757</u>
<b>Shareholders' funds</b>		<u>5,335</u>	<u>4,965</u>

The financial statements of Goldcrest Investment Holdings Limited (registered number 02503356) were approved by the board of directors and authorised for issue on **27 September** 2017. They were signed on its behalf by:



C Quested  
Director

## Goldcrest Investment Holdings Limited

### Consolidated statement of changes in equity As at 31 December 2016

	Called-up share capital £'000	Share premium account £'000	Capital redemp- -tion reserve £'000	Profit and loss account £'000	Total £'000
<b>At 30 December 2014</b>	43	165	1,434	(12,384)	(10,742)
Loss for the financial year	-	-	-	(1,878)	(1,878)
Other comprehensive loss	-	-	-	(44)	(44)
<b>At 30 December 2015</b>	43	165	1,434	(14,306)	(12,664)
Loss for the financial year	-	-	-	(397)	(397)
Other comprehensive profit	-	-	-	79	79
<b>At 31 December 2016</b>	43	165	1,434	(14,624)	(12,982)

## Goldcrest Investment Holdings Limited

### Company statement of changes in equity As at 31 December 2016

	Called-up share capital £'000	Share premium account £'000	Capital redemp- tion reserve £'000	Profit and loss account £'000	Total £'000
At 30 December 2014	43	165	-	4,676	4,884
Profit for the financial year	-	-	-	81	81
At 30 December 2015	43	165	-	4,757	4,965
Profit for the financial year	-	-	-	370	370
At 31 December 2016	43	165	-	5,127	5,335



# Goldcrest Investment Holdings Limited

## Consolidated cash flow statement For the year ended 31 December 2016

	Note	2016 £'000	2015 £'000
<b>Net cash flows from operating activities</b>	<b>17</b>	<b>775</b>	<b>1,152</b>
<b>Cash flows from investing activities</b>			
Purchase of equipment		(856)	(730)
Interest received		-	1
<b>Net cash flows from investing activities</b>		<b>(856)</b>	<b>(729)</b>
<b>Cash flows from taxation</b>			
UK corporation tax		-	-
Foreign tax paid		-	(8)
<b>Net cash flows from taxation</b>		<b>-</b>	<b>(8)</b>
<b>Cash flows from financing activities</b>			
Repayments of borrowings		(1,135)	(158)
Interest paid		(637)	(142)
Repayments of obligations under finance lease		(928)	(867)
New loans raised		3,116	304
<b>Net cash flows from financing activities</b>		<b>416</b>	<b>(863)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>335</b>	<b>(448)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>767</b>	<b>1,688</b>
Effect of foreign exchange rate changes		(421)	(473)
<b>Cash and cash equivalents at end of year</b>		<b>681</b>	<b>767</b>
<b>Reconciliation to cash at bank and in hand:</b>			
Cash at bank and in hand		681	767
Cash equivalents		-	-
<b>Cash and cash equivalents</b>		<b>681</b>	<b>767</b>

# **Goldcrest Investment Holdings Limited**

## **Notes to the financial statements For the year ended 31 December 2016**

### **1. Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

#### ***General information and basis of accounting***

Goldcrest Investment Holdings Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. There have been no material adjustments as a result of the conversion to FRS 102.

The functional currency of Goldcrest Investment Holdings Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are also presented in pounds sterling. Foreign operations are included in accordance with the policies set out below.

Goldcrest Investment Holdings Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to financial instruments.

#### ***Basis of consolidation***

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 December each year.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

#### ***Going concern***

At 31 December 2016, the Group had net current liabilities of £5.95m (2015: £1.88m), and continued to be loss making. The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The directors' report further describes the financial position of the Group; its cash flows, liquidity position and borrowing facilities; the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

The Group subsidiaries meet their day to day working capital requirements through the transfer of intercompany funds throughout the Group. The Group has gone through a period of significant investment, particularly into the London based post production business. The investment has been financed through a combination of third party loans and finance leases. The Group intends to repay the debt as it falls due out of operating cash flows. The Directors are confident that the investment into the London based post production business will drive a significant upturn in turnover that will continue to then impact positively on trading profits and cash flows.

The Group's forecasts and projections show that the Group is able to operate within the level of its current cash flows. After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, being at least one year from the date of signing these accounts. Accordingly, they continue to adopt the going concern bases in preparing the annual report and accounts.

# Goldcrest Investment Holdings Limited

## Notes to the financial statements For the year ended 31 December 2016 (continued)

### 1. Accounting policies (continued)

#### *Going concern (continued)*

The directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### *Tangible fixed assets*

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold building	- 5%
Leasehold improvements	- 5%
Studio equipment	- 20%
Fixtures, fittings and office equipment	- 20-33%

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

#### *Stocks*

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to net realisable value.

#### *Films for distribution*

Films in production are included at cost, including finance costs, and an appropriate proportion of overheads.

Films produced or acquired for distribution are included at the lower of cost and estimated selling price less costs to complete and sell. Cost includes production costs and overheads or acquisition costs where appropriate.

The market value of certain individual films may exceed book value.

#### *Work in progress*

Work in progress represent advances made to producers for certain film production rights. These are capitalised at cost and reviewed for impairment annually.

#### *Taxation*

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences and differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the figure reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model.

# Goldcrest Investment Holdings Limited

## Notes to the financial statements

### For the year ended 31 December 2016 (continued)

#### 1. Accounting policies (continued)

##### *Turnover*

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer.

Film and television royalties, as well as advanced minimum guarantees, are recognised at the point at which a reliable estimate can be made. The Group's share of advances received from sub-distributors before completion and delivery of films is excluded from turnover and accounted for as deferred revenue in the balance sheet, unless such advances are not returnable under the terms of the contracts.

Turnover from the Group's post production facilities and studios is recognised on completion of milestones as agreed in client contracts and in the period the studio hire relates to.

For all other income streams, turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

##### *Foreign currencies*

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

##### *Leases*

Rentals under operating leases are charged on a straight line basis over the terms of the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease terms.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Where the Company enters into a lease, which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the Balance Sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the Profit and Loss account, and the capital element, which reduces the outstanding obligation for future instalments.

# Goldcrest Investment Holdings Limited

## Notes to the financial statements

### For the year ended 31 December 2016 (continued)

#### 2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### *Revenue recognition*

In making its judgement, management considered the detailed criteria for the recognition of revenue from the sale of goods set out in FRS 102 Section 23 *Revenue* and, in particular, whether the Group had transferred to the buyer the significant risks and rewards of ownership of the goods.

#### *Tangible assets*

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

#### *Impairment of debtors*

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

#### 3. Turnover

An analysis of the Group's turnover by class of business is set out below.

	2016 £'000	2015 £'000
<b>Turnover</b>		
Film licensing, marketing and distribution	1,362	1,348
Post production services	9,583	7,782
	<u>10,945</u>	<u>9,130</u>

An analysis of the Group's turnover by geographical market is set out below.

	2016 £'000	2015 £'000
<b>Turnover</b>		
United Kingdom	6,590	5,410
United States of America	4,355	3,720
	<u>10,945</u>	<u>9,130</u>

## Goldcrest Investment Holdings Limited

### Notes to the financial statements For the year ended 31 December 2016 (continued)

#### 4. Finance costs (net)

	2016 £'000	2015 £'000
Interest payable and similar charges	991	618
Other finance income	-	(1)
	<u>991</u>	<u>617</u>

#### *Other finance income*

	2016 £'000	2015 £'000
Other interest receivable and similar income	-	(1)
	<u>-</u>	<u>(1)</u>

#### *Interest payable and similar charges*

	2016 £'000	2015 £'000
Bank loans and overdrafts	5	6
Finance leases and hire purchase contracts	151	131
Other loans	835	481
	<u>991</u>	<u>618</u>

# Goldcrest Investment Holdings Limited

## Notes to the financial statements For the year ended 31 December 2016 (continued)

### 5. Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:

	2016 £'000	2015 £'000
Depreciation of tangible fixed assets	1,278	1,186
Operating lease rentals	1,345	1,345
Impairment of stock recognised as an expense	60	60
Foreign exchange (gain) / loss	(79)	44
	<u>          </u>	<u>          </u>

The analysis of the auditor's remuneration is as follows:

	2016 £'000	2015 £'000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	35	47
Fees payable to the company's auditor and its associates for other services to the Group	6	5
	<u>          </u>	<u>          </u>
Total fees	<u>41</u>	<u>52</u>

### 6. Staff costs

The average monthly number of employees (including executive directors) was:

	2016 Number	2015 Number
Production and post production	63	49
Sales, marketing and distribution	4	7
Administration	19	27
	<u>          </u>	<u>          </u>
	<u>86</u>	<u>83</u>

Their aggregate remuneration comprised:

	2016 £'000	2015 £'000
Wages and salaries	3,805	4,014
Social security costs	394	365
Other pension costs	61	96
	<u>          </u>	<u>          </u>
	<u>4,260</u>	<u>4,475</u>

'Other pension costs' includes only those items included within operating costs. Items reported elsewhere have been excluded.

# Goldcrest Investment Holdings Limited

## Notes to the financial statements For the year ended 31 December 2016 (continued)

### 7. Directors' remuneration and transactions

	2016 £'000	2015 £'000
<b><i>Directors' remuneration</i></b>		
Emoluments	150	172

	2016 £'000	2015 £'000
<b>Remuneration of the highest paid director:</b>		
Emoluments	111	96

	2016 £'000	2015 £'000
<b><i>Key management personnel remuneration</i></b>		
Emoluments	1,046	864
Company contributions to money purchase pension schemes	34	43
	1,080	907

### 8. Tax on loss on ordinary activities

The tax charge comprises:

	2016 £'000	2015 £'000
<b>Current tax on profit on ordinary activities</b>		
UK corporation tax	-	-
Overseas tax	-	(8)
<b>Total current tax charge</b>	-	(8)
<b>Total tax charge</b>	-	(8)

There is no expiry date on timing differences, unused tax losses or tax credits.



# Goldcrest Investment Holdings Limited

## Notes to the financial statements For the year ended 31 December 2016 (continued)

### 8. Tax on loss on ordinary activities (continued)

The differences between the total current tax shown above and the amount calculated is determined by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2016 £'000	2015 £'000
<b>Group loss on ordinary activities before tax</b>	<b>(397)</b>	<b>(1,870)</b>
Tax credit on Group loss on ordinary activities at standard UK corporation tax rate of 20% (2015: 20.25%)	79	379
Effects of:		
- Expenses not deductible for tax purposes	(7)	(23)
- Capital allowances in excess of depreciation	(61)	34
- Losses carried forward	(11)	(390)
- Effect of overseas earnings	-	(8)
<b>Group total tax charge for period</b>	<b>-</b>	<b>(8)</b>

At the year end, the Company had carried forward tax losses of £26m (2015: £25m). No deferred tax asset has been recognised in respect of these losses as well as short term timing differences and capital allowances as it is not certain that the Company will make sufficient future profits with which to offset them. The Company also had capital losses of £6m at the yearend (2015: £6m). No deferred tax asset has been recognised in respect of these capital losses as it is not certain that the Company will generate sufficient capital gains in the future with which to offset them. The amount of the deferred tax assets not recognised at 31 December 2016 is £5.0m (2015: £5.3m). This asset would be recovered if sufficient profits were made in the same trade.

### 9. Profit attributable to the Company

The profit for the financial year dealt with in the financial statements of the parent Company was £370,000 (2015: £81,000). As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the parent Company.

# Goldcrest Investment Holdings Limited

## Notes to the financial statements For the year ended 31 December 2016 (continued)

### 10. Tangible fixed assets

Group	Land and buildings £'000	Leasehold improve- ments £'000	Plant and machinery £'000	Total £'000
<b>Cost or valuation</b>				
At 30 December 2015	1,423	3,745	9,161	14,329
Additions	-	82	1,256	1,338
Disposals	-	(3)	(1,654)	(1,657)
Exchange adjustment	291	640	403	1,334
At 31 December 2016	<u>1,714</u>	<u>4,464</u>	<u>9,166</u>	<u>15,344</u>
<b>Depreciation</b>				
At 30 December 2015	(925)	(2,537)	(5,394)	(8,856)
Charge for the year	(69)	(215)	(994)	(1,278)
Disposals	-	3	1,654	1,657
Exchange adjustment	(189)	(461)	(342)	(992)
At 31 December 2016	<u>(1,183)</u>	<u>(3,210)</u>	<u>(5,076)</u>	<u>(9,469)</u>
<b>Net book value</b>				
At 31 December 2016	<u>531</u>	<u>1,254</u>	<u>4,090</u>	<u>5,875</u>
At 29 December 2015	<u>498</u>	<u>1,208</u>	<u>3,767</u>	<u>5,473</u>
Leased assets included above:				
<b>Net book value</b>				
At 31 December 2016	<u>-</u>	<u>-</u>	<u>1,595</u>	<u>1,595</u>
At 29 December 2015	<u>-</u>	<u>-</u>	<u>1,612</u>	<u>1,612</u>

Property rental income earned during the year was £557,000 (2015: £431,000). No contingent rents have been recognised as income in the current or prior year.

At the balance sheet date, the Group had contracted with tenants for the following future total minimum lease payments:

	2016 £'000	2015 £'000
Within one year	582	557
In the second to fifth years inclusive	2,204	2,305
After five years	<u>3,915</u>	<u>4,395</u>

# Goldcrest Investment Holdings Limited

## Notes to the financial statements For the year ended 31 December 2016 (continued)

### 11. Fixed asset investments

	Group		Company	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
<b>Carrying value before impairment</b>				
At 29 December 2015	-	-	18,580	18,580
At 31 December 2016	-	-	18,580	18,580
<b>Provisions for impairment</b>				
At 29 December 2015	-	-	(7,186)	(7,186)
At 31 December 2016	-	-	(7,186)	(7,186)
<b>Carrying value</b>	-	-	11,394	11,394

### Principal Group investments

The parent Company and its subsidiary undertakings have investments in the following subsidiary undertakings, which principally affected the results or net assets of the Group.

Subsidiary undertakings	Country of incorporation or principal business address	Principal activity	Holding	%
Goldcrest Films International Ltd. +	United Kingdom	Film licensing	Ordinary	100
Goldcrest Post Production Facilities Ltd. +	United Kingdom	Post production	Ordinary	100
Goldcrest Post Productions Ltd. +	United States of America	Post production	Ordinary	100
Goldcrest Features Inc.	United States of America	Post production	Ordinary	100
Saboteur Media LLC	United States of America	Film licensing	Ordinary	100
Opposable Thumbs Media LLC	United States of America	Post production	Ordinary	100
Goldcrest Group Ltd. +	United Kingdom	Dormant	Ordinary	100
Goldcrest Films & Television Ltd. +	United Kingdom	Dormant	Ordinary	100
Goldcrest Films & Television (Holdings) Ltd. +	United Kingdom	Dormant	Ordinary	100
Goldcrest Animation Ltd.	United Kingdom	Dormant	Ordinary	100
Goldcrest Distributors Ltd.	United Kingdom	Dormant	Ordinary	100
Goldcrest Music Ltd.	United Kingdom	Dormant	Ordinary	100
Firecrest Films (Jersey) Ltd.	United Kingdom	Dormant	Ordinary	100
Filmcrest Distributors Ltd.	United Kingdom	Dormant	Ordinary	100
Goldcrest Film Finance LLP	United Kingdom	Dormant	Ordinary	100
Goldcrest Pictures Ltd.	United Kingdom	Dormant	Ordinary	100
Goldcrest Film Rights Ltd.	United Kingdom	Dormant	Ordinary	100
Goldcrest Film Rights II Ltd.	United Kingdom	Dormant	Ordinary	100
Goldcrest Acquisitions Ltd.	United Kingdom	Dormant	Ordinary	100
Goldcrest Film Distribution Ltd.	United Kingdom	Dormant	Ordinary	100
Goldcrest Film Distribution III Ltd.	United Kingdom	Dormant	Ordinary	100
Goldcrest Funding Ltd.	United Kingdom	Film financing	Ordinary	100
Goldcrest Funding III Ltd.	United Kingdom	Dormant	Ordinary	100
Goldcrest Studios Ltd.	United Kingdom	Dormant	Ordinary	100
Goldcrest Films Ltd.	United Kingdom	Dormant	Ordinary	100

+ Held directly by Goldcrest Investment Holdings Limited.

# Goldcrest Investment Holdings Limited

## Notes to the financial statements For the year ended 31 December 2016 (continued)

### 12. Stocks

	Group		Company	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Finished goods and goods for resale	34	41	-	-
Films for distribution	178	238	-	-
Work in progress	441	359	-	-
	<u>653</u>	<u>638</u>	<u>-</u>	<u>-</u>

### 13. Debtors – due within one year

	Group		Company	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Trade debtors	6,489	6,080	-	-
Amounts owed by Group undertakings*	-	-	3,004	2,620
Other debtors	39	32	-	-
Prepayments and accrued income	1,170	876	-	-
Amounts owed by directors	-	174	-	-
	<u>7,698</u>	<u>7,162</u>	<u>3,004</u>	<u>2,620</u>

\* Amounts owed by Group undertakings are interest free and repayable on demand.

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

	Group		Company	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	162	177	-	-
Obligations under finance leases and hire purchase contracts	474	608	-	-
Trade creditors	5,380	6,149	-	-
Amounts owed to Group undertakings*	-	-	9,054	9,039
VAT payable	760	815	-	-
Other taxation and social security	86	103	-	-
Amounts owed to directors	80	-	-	-
Other creditors	640	682	-	-
Other loans	6,660	923	-	-
Accruals and deferred income	735	993	9	10
	<u>14,977</u>	<u>10,450</u>	<u>9,063</u>	<u>9,049</u>

\* Amounts owed to Group undertakings are interest free and repayable on demand.

# Goldcrest Investment Holdings Limited

## Notes to the financial statements For the year ended 31 December 2016 (continued)

### 15. Creditors: Amounts falling due after more than one year

	Group		Company	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Obligations under finance leases and hire purchase contracts	412	513	-	-
Loan stock	5,700	8,941	-	-
Other loans	6,800	6,800	-	-
	<u>12,912</u>	<u>16,254</u>	<u>-</u>	<u>-</u>

Borrowings are repayable as follows:

	Group		Company	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
<b>Finance leases</b>				
Between one and two years	412	513	-	-
On demand or within one year	474	608	-	-
	<u>886</u>	<u>1,121</u>	<u>-</u>	<u>-</u>
<b>Other loans</b>				
Between one and two years	12,500	12,500	-	-
Between two and five years	-	3,241	-	-
On demand or within one year	6,660	923	-	-
	<u>19,160</u>	<u>16,664</u>	<u>-</u>	<u>-</u>

### 16. Called-up share capital and reserves

	2016	2015
	£'000	£'000
Allotted, called-up and fully-paid		
42,500 ordinary shares of £1 each	<u>43</u>	<u>43</u>

The Group and Company's other reserves are as follows:

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

The profit and loss reserve represents cumulative profits or losses, including unrealised profit on the remeasurement of investment properties, net of dividends paid and other adjustments.

# Goldcrest Investment Holdings Limited

## Notes to the financial statements For the year ended 31 December 2016 (continued)

### 17. Cash flow statement

#### *Reconciliation of operating profit to cash generated by operations:*

	2016 £'000	2015 £'000
Group loss for the financial year	(397)	(1,878)
Adjustment for:		
Depreciation and amortisation	1,278	1,186
Loss on disposal of tangible fixed assets	-	(1)
Interest payable and similar charges	991	618
Interest receivable and similar income	-	(1)
Taxation	-	8
(Increase) / decrease in stocks	(15)	410
(Increase) / decrease in debtors	(536)	(151)
(Decrease) / increase in creditors	(546)	961
<b>Net cash inflow from operating activities</b>	<b>775</b>	<b>1,152</b>

#### *Non-cash transactions*

During the year the Group entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of £482,000 (2015: £427,000).

### 18. Financial commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	<b>Land and buildings</b>	
	2016 £'000	2015 £'000
<b>Group</b>		
- within one year	2,432	1,345
- between one and five years	9,608	6,637
- after five years	36,000	21,008
	<b>48,040</b>	<b>28,990</b>
<b>Company</b>		
- within one year	-	-
- between one and five years	-	-
- after five years	-	-
	<b>-</b>	<b>-</b>

### 19. Related party transactions

#### *Directors' transactions*

An unsecured interest free loan, made to by a director to the Group, was outstanding at the yearend. The amount owing by the Group to the director was £80,000 at the balance sheet date (2015: £174,000 owed by the director to Group).

## **Goldcrest Investment Holdings Limited**

### **Notes to the financial statements**

#### **For the year ended 31 December 2016 (continued)**

##### **20. Controlling party**

Mr John Quested, a director of the Company, and members of his close family, control the Company as a result of controlling, directly or indirectly, 100 per cent of the issued share capital of the Company.