

Financial Statements

Atlantic Holdings Limited

For the year ended 31 March 2017

Registered number: 02811673

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Atlantic Holdings Limited

Company Information

Directors	A D H Geffen C M C Perkins I A Gray
Registered number	02811673
Registered office	Brook Green House 4 Rowan Road London W6 7DU
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Grant Thornton House Melton Street Euston Square London NW1 2EP

Atlantic Holdings Limited

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Atlantic Holdings Limited

Group strategic report

For the year ended 31 March 2017

Business review

The principal activity of the Group continued to be that of documentary film production. The principal activity of the Company is that of a holding company.

The Group's profit after tax and minority interests amounted to £1,001,077 (2016: £871,631). The Company, being a holding company, did not trade during the year. A dividend of £560,000 was proposed and paid (2016: £330,000).

The commercial environment in which the Group operates remains competitive, but the directors believe that the Group's position as one of the leading television production groups will enable it to maintain its current position in the future.

Principal risks and uncertainties

The Group uses cash, trade debtors and trade creditors in its operations. These expose the Group to a number of financial risks which are described in more detail below.

Liquidity Risk

The Group ensures sufficient liquidity by producing and reviewing regular cashflow forecasts. It invests cash assets safely and profitably. The Group retains sufficient cash in order to be able to fund development spend for productions, fund productions where the production budget is not fully funded by broadcasters and maintain sufficient working capital to mitigate slow payment of amounts receivable.

Credit Risk

The Group's principal financial assets are cash and trade debtors. The credit risk on cash is limited as the parties holding that cash have high credit ratings.

The Group's major debtors are large international broadcasting organisations and have high credit ratings. Outstanding debts are reviewed constantly. Production income is usually received in advance of the related expenditure.

Currency Risk

The Group's main financial risk is foreign currency exposure, both in terms of costs incurred on overseas shoots and income from overseas producers. The uncertain nature of the timing of receipts means it is often impractical to take out hedging contracts. However, the Group maintains cash balances in the major foreign currencies to effect natural hedging of costs against income wherever practical.

Atlantic Holdings Limited

Group strategic report

For the year ended 31 March 2017

Financial key performance indicators

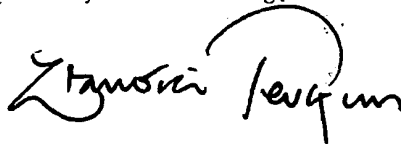
The principal performance measures used to monitor the business are:

Sales growth - sales decreased by 7.1% to £9,426,780 (2016: £10,144,761) in the twelve months to 31 March 2017.

Operating profit margin - operating profit for the year increased from £1,175,742 to £1,182,808 to 31 March 2017 representing an increase in operating profit margin from 11.6% to 12.5%.

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

C M C Perkins
Director



Date: 24/7/17

Atlantic Holdings Limited

Directors' report

For the year ended 31 March 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The directors who served during the year were:

A D H Geffen
C M C Perkins
I A Gray

Disclosure of information to auditor

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 and the Group's auditor is 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 and the Group's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Atlantic Holdings Limited


Directors' report (continued)

For the year ended 31 March 2017

Auditor

The auditor, Grant Thornton UK LLP, 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.


C M C Perkins
Director

Date: 24/7/17



Independent auditor's report to the members of Atlantic Holdings Limited

We have audited the financial statements of Atlantic Holdings Limited for the year ended 31 March 2017, which comprise the Group Statement of comprehensive income, the Group and Company Statements of financial position, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is the applicable law and the 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'.

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 on page 3 and 4, 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 Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 March 2017 and of the Group's 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.



Independent auditor's report to the members of Atlantic Holdings Limited (continued)

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 Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report under the Companies Act 2006

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

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.

Grant Thornton UK LLP

Steven Leith (Senior statutory auditor)
for and on behalf of

Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
London

Date: 24/7/2017

Atlantic Holdings Limited

Consolidated statement of comprehensive income

For the year ended 31 March 2017

	Note	2017 £	2016 £
Turnover	4	9,426,780	10,144,761
Cost of sales		(5,144,193)	(6,036,445)
Gross profit		4,282,587	4,108,316
Administrative expenses		(3,099,779)	(2,932,574)
Operating profit		1,182,808	1,175,742
Interest receivable and similar income	5	5,786	3,294
Interest payable and expenses	6	(77,554)	(2,121)
Profit on ordinary activities before taxation		1,111,040	1,176,915
Tax on profit	7	(16,621)	(253,894)
Profit for the financial year		1,094,419	923,021
Unrealised surplus on revaluation of tangible fixed assets		66,151	620,988
Other comprehensive income for the year		66,151	620,988
Total comprehensive income for the year		1,160,570	1,544,009
Profit for the year attributable to:			
Non-controlling interests		93,342	51,390
Owners of the parent Company		1,001,077	871,631
		1,094,419	923,021

All amounts relate to continuing operations.

There were no recognised gains and losses for 2017 or 2016 other than those included in the consolidated statement of comprehensive income.

The notes on pages 13 to 31 form part of these financial statements.


Atlantic Holdings Limited
Registered number:02811673

Consolidated statement of financial position

As at 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	9	4,355,935	3,877,690
Investments	10	100	-
		<u>4,356,035</u>	<u>3,877,690</u>
Current assets			
Work in progress	13	15,340	85,577
Debtors: amounts falling due within one year	14	2,827,244	3,003,666
Cash at bank and in hand	15	4,282,750	4,204,728
		<u>7,125,334</u>	<u>7,293,971</u>
Creditors: amounts falling due within one year	16	(4,301,840)	(4,112,240)
Net current assets		<u>2,823,494</u>	<u>3,181,731</u>
Total assets less current liabilities		<u>7,179,529</u>	<u>7,059,421</u>
Creditors: amounts falling due after more than one year	17	(882,076)	(1,228,538)
Provisions for liabilities			
Net assets		<u>6,297,453</u>	<u>5,830,883</u>
Capital and reserves			
Share capital	20	100	100
Revaluation reserve	21	687,139	620,988
Retained earnings	21	5,528,803	5,087,726
Equity attributable to owners of the parent Company		<u>6,216,042</u>	<u>5,708,814</u>
Non-controlling interests		81,411	122,069
		<u>6,297,453</u>	<u>5,830,883</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


C M C Perkins
Director
Date: 24/7/17

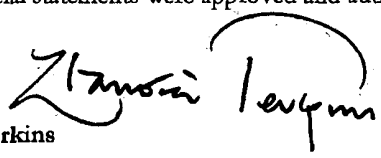
The notes on pages 13 to 31 form part of these financial statements.

Company statement of financial position

As at 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	9	310,984	-
Investments	10	1,031	931
Investment property	12	3,296,898	3,296,898
		<u>3,608,913</u>	<u>3,297,829</u>
Current assets			
Debtors: amounts falling due within one year	14	3,065,809	2,571,537
Cash at bank and in hand	15	765,595	2,017,245
		<u>3,831,404</u>	<u>4,588,782</u>
Creditors: amounts falling due within one year	16	(349,709)	(2,852,270)
Net current assets		<u>3,481,695</u>	<u>1,736,512</u>
Total assets less current liabilities		<u>7,090,608</u>	<u>5,034,341</u>
Creditors: amounts falling due after more than one year	17	(882,076)	(1,228,538)
Provisions for liabilities			
Deferred taxation	19	(9,983)	-
		<u>(9,983)</u>	<u>-</u>
Net assets		<u><u>6,198,549</u></u>	<u><u>3,805,803</u></u>
Capital and reserves			
Share capital	20	100	100
Retained earnings	21	6,198,449	3,805,703
		<u><u>6,198,549</u></u>	<u><u>3,805,803</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


C M C Perkins
Director

Date: 24/7/17

The notes on pages 13 to 31 form part of these financial statements.

Atlantic Holdings Limited

Consolidated statement of changes in equity

For the year ended 31 March 2017

	Share capital	Revaluation reserve	Retained earnings	Equity attributable to owners of parent Company	Non-controlling interests	Total equity
	£	£	£	£	£	£
At 1 April 2016	100	620,988	5,087,726	5,708,814	122,069	5,830,883
Profit for the year	-	-	1,001,077	1,001,077	93,342	1,094,419
Revaluation movement of freehold property	-	66,151	-	66,151	-	66,151
Total comprehensive income for the year	-	66,151	1,001,077	1,067,228	93,342	1,160,570
Dividends	-	-	(560,000)	(560,000)	-	(560,000)
Dividends - non-controlling interests	-	-	-	-	(134,000)	(134,000)
At 31 March 2017	100	687,139	5,528,803	6,216,042	81,411	6,297,453

Consolidated statement of changes in equity

For the year ended 31 March 2016

	Share capital	Revaluation reserve	Retained earnings	Equity attributable to owners of parent Company	Non-controlling interests	Total equity
	£	£	£	£	£	£
At 1 April 2015	100	-	4,546,095	4,546,195	70,679	4,616,874
Profit for the year	-	-	871,631	871,631	51,390	923,021
Surplus on revaluation of freehold property	-	620,988	-	620,988	-	620,988
Total comprehensive income for the year	-	620,988	871,631	1,492,619	51,390	1,544,009
Dividends	-	-	(330,000)	(330,000)	-	(330,000)
At 31 March 2016	100	620,988	5,087,726	5,708,814	122,069	5,830,883

The notes on pages 13 to 31 form part of these financial statements.

Atlantic Holdings Limited

Company statement of changes in equity

For the year ended 31 March 2017

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 April 2016	100	3,805,703	3,805,803
Comprehensive income for the year			
Profit for the year	-	2,952,746	2,952,746
Total comprehensive income for the year	-	2,952,746	2,952,746
Contributions by and distributions to owners			
Dividends	-	(560,000)	(560,000)
At 31 March 2017	100	6,198,449	6,198,549

Company statement of changes in equity

For the year ended 31 March 2016

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 April 2015	100	3,568,134	3,568,234
Comprehensive income for the year			
Profit for the year	-	567,569	567,569
Total comprehensive income for the year	-	567,569	567,569
Contributions by and distributions to owners			
Dividends	-	(330,000)	(330,000)
At 31 March 2016	100	3,805,703	3,805,803

The notes on pages 13 to 31 form part of these financial statements.

Atlantic Holdings Limited

Consolidated statement of cash flows

For the year ended 31 March 2017

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	1,094,419	923,021
Adjustments for:		
Depreciation of tangible assets	314,939	199,988
Loss on disposal of tangible assets	55,598	200
Interest paid	77,554	2,121
Interest received	(5,786)	(3,294)
Taxation charge	16,621	253,894
Decrease in work in progress	70,237	356,989
Decrease in debtors	164,913	491,029
Increase/(Decrease) in creditors	208,114	(504,742)
Corporation tax (paid)	(91,902)	(273,815)
Net cash generated from operating activities	1,904,707	1,445,391
Cash flows from investing activities		
Purchase of tangible fixed assets	(809,631)	(1,914,570)
Sale of tangible fixed assets	27,000	5,296
Purchase of share in associates	(100)	-
Interest received	5,786	3,294
HP interest paid	(2,171)	(2,086)
Net cash from investing activities	(779,116)	(1,908,066)
Cash flows from financing activities		
Other new loans	-	1,500,000
Repayment of other loans	(271,462)	-
Repayment of/new finance leases	(6,724)	(17,224)
Dividends paid	(560,000)	(330,000)
Non controlling interest dividends paid	(134,000)	-
Interest paid	(75,383)	(35)
Net cash used in financing activities	(1,047,569)	1,152,741
Net increase in cash and cash equivalents	78,022	690,066
Cash and cash equivalents at beginning of year	4,204,728	3,514,662
Cash and cash equivalents at the end of year	4,282,750	4,204,728
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	4,282,750	4,204,728

Notes to the financial statements

For the year ended 31 March 2017

1. General information

Atlantic Holdings Limited is a private company, limited by shares and is incorporated in England. The company's registered office is Brook Green House, 4 Rowan Road, London, W6 7DU.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies 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 compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The financial statements consolidate the accounts of Atlantic Holdings Limited and all of its subsidiary undertakings ('subsidiaries').

The results of subsidiaries acquired during the year are included from the effective date of acquisition.

2.3 Going concern

The directors have reviewed the Group and Company's financial position at the balance sheet date and for the period ending on the anniversary of the date of approval of these financial statements. They have considered liquidity risk, key assumptions and uncertainties. As a result of this assessment, the directors have adopted the going concern basis of accounting for the preparation of these financial statements which they consider to be appropriate.

2.4 Turnover

Amounts receivable for work carried out in producing television programmes is recognised on the basis of the value of costs incurred related to the production activity. Gross profit on production activity is recognised based upon the stage of completion of the production and in accordance with the underlying contract. Overspends are recognised as soon as they arise and underspends are recognised on completion of the production.

Royalty income is recognised on a receivable basis, in so far as it can be reliably measured.

Licencing income, which is stated net of value added tax and discounts, is derived from the distribution of TV programs and theatrical films. Turnover is recognised when all contractual terms and the following criteria have been met:

- there is persuasive evidence of a sale or licencing arrangement agreement
- the program or film is complete and available for delivery
- collection of the revenue is reasonably assured
- the fee is fixed and determinable.

Notes to the financial statements

For the year ended 31 March 2017

2. Accounting policies (continued)

2.5 Tangible fixed assets and depreciation

Tangible fixed assets, excluding freehold land and buildings, are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives.

Depreciation is provided on the following basis:

Land and buildings Leasehold	- 5 years
Plant & machinery	- 3 to 5 years
Fixtures, fittings & equipment	- 3 years

2.6 Freehold land and buildings

On 22 February 2016 the Group changed from applying the cost model to the revaluation model for all freehold land and buildings.

Individual freehold properties are carried at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of financial position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Consolidated statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

Freehold buildings are depreciated at 2% straight line per annum. Land is not depreciated.

2.7 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

2.8 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated statement of comprehensive income.

Notes to the financial statements

For the year ended 31 March 2017

2. Accounting policies (continued)

2.9 Investments

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

2.10 Work in progress

Work in progress on productions is valued at the lower of cost and net realisable value.

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

2.12 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. All differences are taken to Statement of comprehensive income.

2.13 Television tax credits and film tax relief

Claims for UK high end television tax credits and film tax relief are recorded as a deduction against cost of sales.

2.14 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

Notes to the financial statements

For the year ended 31 March 2017

2. Accounting policies (continued)

2.16 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.17 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.18 Finance costs

Finance costs are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Notes to the financial statements

For the year ended 31 March 2017

2. Accounting policies (continued)

2.19 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.20 Pensions

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Income statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

2.21 Interest income

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

2.22 Borrowing costs

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the year in which they are incurred.

2.23 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

Notes to the financial statements

For the year ended 31 March 2017

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

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgments, 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.

Critical estimates in applying the company's accounting policies

The following are the critical estimates that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

Revenue from production services for third parties are recognised on a percentage-of completion basis. Percentage-of-completion is based upon the proportion of costs incurred in the current period to total expected costs. The total expected costs on each production are reviewed by management on a regular basis.

Valuation of property

Management have determined the valuation of the property recorded in tangible fixed assets based on historic valuations and applying their own assumptions and estimates for the current year.

4. Analysis of turnover

In the opinion of the directors it would be seriously prejudicial to the group's interests to provide an analysis of turnover activity in the year and accordingly this information has not been provided in these financial statements.

The operating profit is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets	314,939	198,644
Auditor's remuneration	46,000	49,750
Auditor's remuneration - non audit	16,000	15,500
Loss/(profit) on foreign exchange transactions	(107,846)	47,275

The Company audit fee for the period was £2,000. In 2016 the audit fee and fees for non-audit services are borne by another group entity.

Atlantic Holdings Limited

Notes to the financial statements

For the year ended 31 March 2017

5. Interest receivable

	2017 £	2016 £
Bank interest receivable	5,786	3,294
	<u>5,786</u>	<u>3,294</u>

6. Interest payable

	2017 £	2016 £
Other interest payable	75,000	35
Hire purchase interest	2,554	2,086
	<u>77,554</u>	<u>2,121</u>

7. Taxation

	2017 £	2016 £
Corporation tax		
Adjustments in respect of prior periods	(19,005)	318,043
	<u>(19,005)</u>	<u>318,043</u>
Foreign tax		
Foreign tax on income for the year	24,118	53,632
Total current tax	<u>5,113</u>	<u>371,675</u>
Deferred tax		
Origination and reversal of timing differences	909	(86,372)
Prior year adjustment	10,690	(46,042)
Difference in tax rates	(91)	14,633
Total deferred tax	<u>11,508</u>	<u>(117,781)</u>
Taxation on profit on ordinary activities	<u>16,621</u>	<u>253,894</u>

Notes to the financial statements

For the year ended 31 March 2017

7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - higher than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before taxation	<u>1,111,040</u>	<u>1,176,915</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	222,216	237,577
Effects of:		
Difference between capital allowances and depreciation	1,317	(8,748)
Tax losses arising/(utilised) in year	(183,405)	(93,244)
Non deductible expenses	19,705	12,688
Adjustments to tax charge in respect of prior periods	(8,314)	(20,954)
Other timing differences	138	-
Non-taxable income	-	(39,203)
Film tax credit adjustment	(47,696)	(217,078)
Additional R&D deduction	-	(3,889)
Difference in tax rates	(220)	11,005
Consolidation adjustment	-	352,814
Investment property	-	12,734
Overseas tax	12,880	10,192
Total tax charge for the year	<u>16,621</u>	<u>253,894</u>

8. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The profit after tax of the parent Company for the year was £2,952,746 (2016 - £567,569).

Atlantic Holdings Limited

Notes to the financial statements

For the year ended 31 March 2017

9. Tangible fixed assets

Group

	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost or valuation					
At 1 April 2016	3,291,415	844,323	554,329	700,694	5,390,761
Additions	-	310,984	496,124	2,523	809,631
Disposals	-	-	(105,444)	-	(105,444)
Revaluations	5,483	-	-	-	5,483
At 31 March 2017	<u>3,296,898</u>	<u>1,155,307</u>	<u>945,009</u>	<u>703,217</u>	<u>6,100,431</u>
Depreciation					
At 1 April 2016	-	681,655	284,581	546,835	1,513,071
Charge for the year	60,668	32,494	209,248	12,529	314,939
Disposals	-	-	(22,846)	-	(22,846)
On revalued assets	(60,668)	-	-	-	(60,668)
At 31 March 2017	<u>-</u>	<u>714,149</u>	<u>470,983</u>	<u>559,364</u>	<u>1,744,496</u>
Net book value					
At 31 March 2017	<u>3,296,898</u>	<u>441,158</u>	<u>474,026</u>	<u>143,853</u>	<u>4,355,935</u>
At 31 March 2016	<u>3,291,415</u>	<u>162,668</u>	<u>269,748</u>	<u>153,859</u>	<u>3,877,690</u>

A valuation of the group's freehold land and buildings was undertaken by a professional independent valuer on 22 February 2016 in accordance with the Royal Institute of Chartered Surveyors - Professional Standards. The directors have considered the market value of the freehold land and buildings as at 31 March 2017 to be £3,296,898 based on their assessment of the historic valuations and the current market conditions.

The carrying amount of freehold land and buildings were they to be held under historic cost would have been £2,670,427.

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

	2017 £	2016 £
Furniture, fittings and equipment	<u>15,131</u>	<u>28,539</u>

Atlantic Holdings Limited

Notes to the financial statements

For the year ended 31 March 2017

9. Tangible fixed assets (continued)

Atlantic Holdings Limited

Notes to the financial statements

For the year ended 31 March 2017

9. Tangible fixed assets (continued)

Company

	Land and buildings Leasehold £
Cost or valuation	
Additions	310,984
At 31 March 2017	<u>310,984</u>
Net book value	
At 31 March 2017	<u><u>310,984</u></u>
At 31 March 2016	<u><u>-</u></u>

Atlantic Holdings Limited

Notes to the financial statements

For the year ended 31 March 2017

10. Fixed asset investments

Group

	Investments in associates £
Cost or valuation	
Additions	100
At 31 March 2017	<u>100</u>

Net book value

At 31 March 2017	<u>100</u>
At 31 March 2016	<u>-</u>

Company

	Shares in group undertaking £
Cost or valuation	
At 1 April 2016	931
Additions	100
At 31 March 2017	<u>1,031</u>

Net book value

At 31 March 2017	<u>1,031</u>
At 31 March 2016	<u>931</u>

Atlantic Holdings Limited

Notes to the financial statements

For the year ended 31 March 2017

11. Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class	Holding	Principal activity
Atlantic New Media Limited	England	Ordinary	100%	Non trading
Atlantic Productions Limited	England	Ordinary	100%	Documentary film production
Serengeti Entertainment Limited	England	Ordinary	100%	Distribution of feature films
Zoo Limited	England	Ordinary	100%	Graphic services
Video 77 Limited	England	Ordinary	100%	Licensing of rights to music and archive
Atlantic Production (Chevalier) Limited	England	Ordinary	100%	Non trading
Geffen Medavoy Limited	England	Ordinary	51%	Non trading
Atlantic Pictures Limited	England	Ordinary	100%	Non trading
Colossus Productions Limited	England	Ordinary	80%	Documentary film production
Colossus Production (NHM) Limited*	England	Ordinary	80%	Documentary film production
Colossus Productions (COTS) Limited*	England	Ordinary	80%	Documentary film production
Rowan Brook Limited	England	Ordinary	100%	Provision of equipment services
Atlantic Productions (UAE) Limited*	England	Ordinary	100%	Dormant
Atlantic Productions SPV1 Limited*	England	Ordinary	100%	Dormant

(*) shares held indirectly

12. Investment property

Company

Freehold
investment
property
£

Valuation

At 1 April 2016

3,296,898

At 31 March 2017

3,296,898

Notes to the financial statements

For the year ended 31 March 2017

13. Work in progress

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Work in progress	15,340	85,577	-	-

14. Debtors

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade debtors	1,503,031	1,104,597	-	-
Amounts owed by group undertakings	-	-	3,065,606	2,571,537
Other debtors	544,147	851,543	203	-
Prepayments and accrued income	698,112	954,064	-	-
Deferred taxation	81,954	93,462	-	-
	<u>2,827,244</u>	<u>3,003,666</u>	<u>3,065,809</u>	<u>2,571,537</u>

Amounts owed by group undertakings are unsecured and repayable on demand. Interest is charged at 5% per annum.

15. Cash and cash equivalents

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Cash at bank and in hand	4,282,750	4,204,728	765,595	2,017,245

Notes to the financial statements

For the year ended 31 March 2017

16. Creditors: Amounts falling due within one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Other loans	346,462	271,462	346,462	271,462
Trade creditors	118,272	1,946,697	1,218	-
Amounts owed to group undertakings	-	-	-	2,580,600
Corporation tax	11,119	97,908	-	-
Other taxation and social security	181,999	23,497	-	-
Net obligations under finance lease and hire purchase contracts	18,599	25,323	-	-
Other creditors	1,840	683	29	208
Accruals and deferred income	3,623,549	1,746,670	2,000	-
	<u>4,301,840</u>	<u>4,112,240</u>	<u>349,709</u>	<u>2,852,270</u>

Amounts owed to group undertakings are unsecured and repayable on demand. Interest is charged at 5% per annum.

17. Creditors: Amounts falling due after more than one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Other loans	882,076	1,228,538	882,076	1,228,538

18. Loans

Other loans represents a loan due to the Atlantic Productions Executive Pension Scheme, of which A D H Geffen and C M C Perkins are trustees. Interest charged at 5% per annum and repayable in instalments by 21 March 2021. The loan is secured against the assets of the Group.

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Amounts falling due within one year				
Other loans	346,462	271,462	346,462	271,462
Amounts falling due 2-5 years				
Other loans	882,076	1,228,538	882,076	1,228,538
	<u>1,228,538</u>	<u>1,500,000</u>	<u>1,228,538</u>	<u>1,500,000</u>

Atlantic Holdings Limited

Notes to the financial statements

For the year ended 31 March 2017

19. Deferred taxation

Group

	2017 £
At beginning of year	93,462
Charged to profit or loss	(11,508)
Utilised in year	-
At end of year	81,954

The deferred tax asset is made up as follows:

	Group 2017 £	Company 2017 £
Accelerated capital allowances	(56,012)	(9,983)
Other timing differences	406	-
Tax losses carried forward	137,560	-
	81,954	(9,983)

Atlantic Holdings Limited

Notes to the financial statements

For the year ended 31 March 2017

20. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

21. Reserves

Revaluation reserve

Represents the change in value of revalued fixed assets.

Retained earnings

Includes all current and prior period retained profit and losses.

22. Minority interests

	£
Equity	
At 1 April 2016	122,069
Proportion of profit after taxation for the year	93,342
Dividends paid	<u>(134,000)</u>
At 31 March 2017	<u>81,411</u>

23. Dividends

	2017 £	2016 £
Dividends paid on equity capital	<u>560,000</u>	<u>330,000</u>

A dividend of £4,500 per share equating to a total of £450,000 was declared and paid on 1 April 2016.

A further dividend of £1,100 per share equating to a total of £110,000 was declared and paid on 9 January 2017.

Atlantic Holdings Limited

Notes to the financial statements

For the year ended 31 March 2017

24. Directors' remuneration

	2017	2016
	£	£
Directors' emoluments	315,000	300,000
Company contributions to defined benefit pension schemes	-	86,100
	<u>315,000</u>	<u>386,100</u>

During the year retirement benefits were accruing to no directors (2016 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £125,000 (2016 - £211,100).

25. Staff costs

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

	2017	2016
	£	£
Wages and salaries	2,584,850	1,988,878
Social security costs	238,946	200,976
Cost of defined contribution scheme	20,650	97,312
	<u>2,844,446</u>	<u>2,287,166</u>

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

	2017	2016
	No.	No.
Office and administration	21	27
Development and production	23	13
	<u>44</u>	<u>40</u>

Notes to the financial statements

For the year ended 31 March 2017

26. Related party transactions

The Group has taken advantage of the exemption in Financial Reporting Standard Number 102 from the requirement to disclose transactions with wholly owned group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company which are publicly available.

During the year, Atlantic Productions Limited, a subsidiary company paid £nil (2016: £74,250) in rent to the Atlantic Productions Executive Pension Scheme, of which A D H Geffen and C M C Perkins are trustees. The £1,228,538 is outstanding at 31 March 2017.

During the year Atlantic Productions Limited made sales of £1,019,897 (2016: £Nil) to Alchemy VR Limited and was charged £172,462 (2016: £Nil). At the year end Atlantic Productions Limited owed £987 (2016: Nil) to Alchemy VR Limited. Alchemy VR Limited is a related party by virtue of a common director.

During the year Colossus Productions Limited was charged £Nil (2016: £39,514) by Atlantic Holdings Limited, £148,971 (2016: £131,968) by Atlantic Productions Limited, £22,047 (2016: £2,631) by Rowan Brook Limited, £2,668 (2016: £619) by Serengeti Entertainment Limited, £35,250 (2016: £Nil) by Zoo Limited and £8,500 (2016: £Nil) by Video 77 Limited, which are fellow subsidiaries, for services relating to production activities and equipment hire.

During the year Colossus Productions Limited made sales of £50,741 (2016: £471,890) to Atlantic Holdings Limited, £100 (2016: £312,174) to Atlantic Productions Limited and £465,934 (2016: £Nil) to Serengeti Entertainment Limited.

At year end £79,374 (2016: £Nil) was owed to Colossus Productions Limited by Atlantic Holdings Limited, £Nil (2016: £26,484) was owed by Video 77 Limited, £Nil (2016: £2,592) by Zoo Limited and £Nil (2016: £33,075) by Serengeti Entertainment Limited. At the year end Colossus Productions Limited owed £Nil (2016: £605,141) to Atlantic Holdings Limited and £100 (2016: £Nil) was owed to Atlantic Productions Limited.

During the year income from rights distribution of £7,120 (2016: Nil) was recharged from Serengeti Entertainment Limited to Colossus Productions (COTS) Limited.

During the year income from rights distribution of £2,871 (2016: Nil) was recharged from Serengeti Entertainment Limited to Colossus Productions (NHM) Limited.

At the year end £Nil (2016: £188,198) was owed to Colossus Productions (COTS) Limited by Atlantic Holdings Limited.

At year end Colossus Productions (NHM) Limited was due to £4,163 (2016: owed by £28,311) Atlantic Holdings Limited.

During the year the Group paid rent of £24,000 (2016: £24,000) for use of a property owned by A D H Geffen and C M C Perkins.

During the year the Group purchased land from A D H Geffen and C M C Perkins for £25,000.

27. Controlling party

Through his interest in the shares of the company, the group is under the control of A D H Geffen.