

Financial Statements

Atlantic Holdings Limited

For the 15 months ended 31 March 2014



Registered number: 02811673

Atlantic Holdings Limited

Company Information

Directors	A D H Geffen C M C Perkins I 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

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Group Strategic Report

For the 15 months ended 31 March 2014

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 £996,747 (2012 - £197,712). The company, being a holding company, did not trade during the year. A dividend of £450,000 was proposed and paid (2012- £nil).

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 to raise finance for 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.

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.

Financial key performance indicators

The principle performance measures used to monitor the business are:

Sales growth - increased by 104% from £8,357,418 in the twelve months to 31 December 2012 to £17,073,088 in fifteen months to 31 March 2014.

Operating profit margin - Operating profit for the year increased from £20,809 in twelve months to 31 December 2012 to £1,163,455 in the fifteen months to 31 March 2014 representing an increase in operating profit margin to 7% from 0.25%.

This report was approved by the board on 25th November 2014 and signed on its behalf.

I Gray
Director



Directors' Report

For the 15 months ended 31 March 2014

The directors present their report and the financial statements for the 15 month period ended 31 March 2014.

Results

The profit for the 15 month period, after taxation and minority interests, amounted to £1,055,714 (2012 - £197,712).

Directors

The directors who served during the 15 months were:

A D H Geffen
R J H Geffen (resigned 19 February 2014)
C M C Perkins
I Gray (appointed 30 October 2013)

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

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

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 that director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

Atlantic Holdings Limited

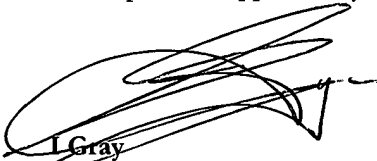
Directors' Report

For the 15 months ended 31 March 2014

Auditor

During the period, Grant Thornton UK LLP were appointed as auditors will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 25th November 2014 and signed on its behalf.



I. Gray
Director

Independent Auditor's Report to the Members of Atlantic Holdings Limited

We have audited the financial statements of Atlantic Holdings Limited for the 15 months ended 31 March 2014, which comprise the consolidated Profit and loss account, the consolidated and company Balance sheets, the consolidated Cash flow statement and reconciliation of net cash flow to movement in net funds/debt and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 (APB'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 of the parent company's affairs as at 31 March 2014 and of the group's profit for the 15 months 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 Group strategic report and the Directors' report for the financial 15 months for which the financial statements are prepared is consistent with the financial statements.



Independent Auditor's Report to the Members of Atlantic Holdings Limited

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept 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
Statutory Auditor
Chartered Accountants
London
Date: 27/11/14

Consolidated Profit and Loss Account

For the 15 months ended 31 March 2014

	Note	15 months ended 31 March 2014 £	12 months ended 31 December 2012 £
Turnover	1,2	17,073,088	8,357,418
Cost of sales		<u>(12,042,716)</u>	<u>(6,077,863)</u>
Gross profit		5,030,372	2,279,555
Administrative expenses		<u>(3,866,917)</u>	<u>(2,258,746)</u>
Operating profit		1,163,455	20,809
Interest receivable and similar income		40,002	45,030
Interest payable and similar charges	4	<u>(1,496)</u>	<u>(4,527)</u>
Profit on ordinary activities before taxation		1,201,961	61,312
Tax on profit on ordinary activities	5	<u>(315,873)</u>	<u>(398)</u>
Profit on ordinary activities after taxation		886,088	60,914
Minority interests		<u>169,626</u>	<u>136,798</u>
Profit for the financial period	17	<u><u>1,055,714</u></u>	<u><u>197,712</u></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2012 other than those included in the Profit and loss account.


The notes on pages 10 to 26 form part of these financial statements.

Consolidated Balance Sheet

As at 31 March 2014

	Note	£	31 March 2014 £	31 December 2012 £
Fixed assets				
Tangible assets	6		1,537,901	1,545,637
Current assets				
Work in progress	9	74,214		184,587
Debtors	10	4,470,038		1,272,401
Cash at bank and in hand		3,751,332		4,964,657
		<u>8,295,584</u>		<u>6,421,645</u>
Creditors: amounts falling due within one year	11	<u>(5,159,345)</u>		<u>(5,930,075)</u>
Net current assets			<u>3,136,239</u>	<u>491,570</u>
Total assets less current liabilities			<u>4,674,140</u>	<u>2,037,207</u>
Creditors: amounts falling due after more than one year	12		(9,616)	-
Provisions for liabilities				
Deferred tax	13	(49,896)		(26,000)
Other provisions	15	<u>(2,167,333)</u>		<u>-</u>
			<u>(2,217,229)</u>	<u>(26,000)</u>
Net assets			<u><u>2,447,295</u></u>	<u><u>2,011,207</u></u>
Capital and reserves				
Called up share capital	16		100	100
Profit and loss account	17		<u>2,768,922</u>	<u>2,163,208</u>
Shareholders' funds	19		<u>2,769,022</u>	<u>2,163,308</u>
Minority interests	18		<u>(321,727)</u>	<u>(152,101)</u>
			<u><u>2,447,295</u></u>	<u><u>2,011,207</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25/1/2014


J. Gray
Director

The notes on pages 10 to 26 form part of these financial statements.

Company Balance Sheet

As at 31 March 2014

	Note	£	31 March 2014 £	31 December 2012 £
Fixed assets				
Investments	7		831	431
Current assets				
Debtors	10	3,185,966		100
Cash at bank		100		-
		<u>3,186,066</u>		<u>100</u>
Creditors: amounts falling due within one year	11	(431)		(431)
Net current assets/(liabilities)			<u>3,185,635</u>	<u>(331)</u>
Net assets			<u><u>3,186,466</u></u>	<u><u>100</u></u>
Capital and Reserves				
Called up share capital	16		100	100
Profit and loss account	17		<u>3,186,366</u>	<u>-</u>
Shareholders' funds	19		<u><u>3,186,466</u></u>	<u><u>100</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 Nov 2014


I. Gray
Director

The notes on pages 10 to 26 form part of these financial statements.

Consolidated Cash Flow Statement

For the 15 months ended 31 March 2014

		15 months ended 31 March 2014 £	12 months ended 31 December 2012 £
	Note		
Net cash flow from operating activities	22	(498,894)	2,156,987
Returns on investments and servicing of finance	23	38,506	40,503
Taxation		(100,880)	(192,285)
Capital expenditure and financial investment	23	(202,984)	(204,704)
Equity dividends paid		(450,000)	-
Cash (outflow)/inflow before financing		(1,214,252)	1,800,501
Financing	23	927	(15,853)
(Decrease)/Increase in cash in the 15 months		(1,213,325)	1,784,648

Reconciliation of Net Cash Flow to Movement in Net Funds/Debt

For the 15 months ended 31 March 2014

	15 months ended 31 March 2014 £	12 months ended 31 December 2012 £
(Decrease)/Increase in cash in the 15 months	(1,213,325)	1,784,648
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(927)	15,853
Movement in net debt in the 15 months	(1,214,252)	1,800,501
Net funds at 1 January 2013	4,950,275	3,149,774
Net funds at 31 March 2014	3,736,023	4,950,275

The notes on pages 10 to 26 form part of these financial statements.

Notes to the Financial Statements

For the 15 months ended 31 March 2014

1. Accounting Policies

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention.

The directors have reviewed the 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.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 March 2014. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

The results of subsidiaries acquired during the 15 months are included from the effective date of acquisition.

1.4 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.

Income derived from royalties and recoupable non-refundable distribution advances are recognised on a receipts basis. Licence fee income is recognised on a receivable basis.

1.5 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.6 Tangible fixed assets and depreciation

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

Land and buildings Freehold	-	2% straightline
Land and buildings Leasehold	-	20% straightline
Plant & machinery	-	20% to 33.3% straightline
Fixtures, fittings & equipment	-	Over 3 years

Notes to the Financial Statements

For the 15 months ended 31 March 2014

1. Accounting Policies (continued)

1.7 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 profit and loss account 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.

1.8 Investments

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

1.9 Work in progress

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

1.10 Pensions

The Group operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 7 May 2014.

The Group operates a defined contribution scheme for the benefit of the directors. Contributions payable are charged to the profit and loss account in the year they are payable.

1.11 Deferred taxation

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.

1.12 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. All differences are taken to profit and loss account.

1.13 Production costs

Production costs are reimbursed by the commissioner of a project to the extent that they do not exceed the contract sum. Production costs in excess of the contract sum, unless agreed with the commissioner of the project are normally borne by the company. Full provision is made for any foreseeable losses on a contract by contract basis.

Notes to the Financial Statements

For the 15 months ended 31 March 2014

1. Accounting Policies (continued)

1.14 Provisions

Production costs may be contractually agreed with the commissioner. If this exceeds the contracted income then a provision will be made to the extent of this shortfall.

2. Turnover

In the opinion of the directors it would be seriously prejudicial to provide information as required by the Statements of Standard Accounting Practice 25 'Segmental Reporting' and accordingly this information has not been provided in these financial statements.

3. Operating profit

Operating profit is stated after charging / (crediting):

	2014	2012
	£	£
Depreciation of tangible fixed assets	209,598	220,553
Loss / (profit) on disposal of tangible assets	1,121	(187)
Loss on foreign exchange transactions	88,341	18,177
Auditor's remuneration	41,411	45,536
Auditor's remuneration - non-audit	<u>9,000</u>	<u>-</u>

4. Interest payable

	15 months ended 31 March 2014	12 months ended 31 December 2012
	£	£
On bank loans and overdrafts	11	2,655
Hire purchase interest	1,485	1,872
	<u>1,496</u>	<u>4,527</u>

Notes to the Financial Statements

For the 15 months ended 31 March 2014

5. Taxation

	15 months ended 31 March 2014 £	12 months ended 31 December 2012 £
Analysis of tax charge/(credit) in the 15 months/year		
Current tax (see note below)		
UK corporation tax charge on profit for the 15 months/year	74,411	49,347
Adjustments in respect of prior periods	154,735	(19)
	<hr/>	<hr/>
	229,146	49,328
Receipt in respect of group relief	44	(57,423)
	<hr/>	<hr/>
	229,190	(8,095)
	<hr/>	<hr/>
Foreign tax on income for the 15 months/year	62,787	-
	<hr/>	<hr/>
Total current tax	291,977	(8,095)
	<hr/>	<hr/>
Deferred tax (see note 13)		
Origination and reversal of timing differences	23,896	8,493
	<hr/>	<hr/>
Tax on profit on ordinary activities	315,873	398
	<hr/>	<hr/>

Notes to the Financial Statements

For the 15 months ended 31 March 2014

5. Taxation (continued)

Factors affecting tax charge for the 15 months/year

The tax assessed for the 15 months/year is higher than (2012 - lower than) the standard rate of corporation tax in the UK of 23.2% (2012 - 24%). The differences are explained below:

	15 months ended 31 March 2014 £	12 months ended 31 December 2012 £
Profit on ordinary activities before tax	1,201,961	61,312
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.2% (2012 - 24%)	278,855	14,715
Effects of:		
Non deductible expenses	33,133	2,299
Difference between capital allowances and depreciaton	(36,485)	26,447
Tax losses utilised	171,703	-
Foreign tax adjustments	8,071	(8,757)
Chargeable disposals	-	(45)
Other tax adjustments	144,600	(42,754)
Film tax credit adjustment	(307,900)	-
Current tax charge/(credit) for the 15 months/year (see note above)	291,977	(8,095)

Notes to the Financial Statements

For the 15 months ended 31 March 2014

6. Tangible fixed assets

Group	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost					
At 1 January 2013	1,394,708	729,228	217,397	586,125	2,927,458
Additions	-	29,975	63,172	117,680	210,827
Disposals	-	-	(22,211)	(7,940)	(30,151)
At 31 March 2014	<u>1,394,708</u>	<u>759,203</u>	<u>258,358</u>	<u>695,865</u>	<u>3,108,134</u>
Depreciation					
At 1 January 2013	167,365	571,754	159,264	483,438	1,381,821
Charge for the 15 months	34,868	57,058	45,435	72,237	209,598
On disposals	-	-	(18,004)	(3,182)	(21,186)
At 31 March 2014	<u>202,233</u>	<u>628,812</u>	<u>186,695</u>	<u>552,493</u>	<u>1,570,233</u>
Net book value					
At 31 March 2014	<u>1,192,475</u>	<u>130,391</u>	<u>71,663</u>	<u>143,372</u>	<u>1,537,901</u>
At 31 December 2012	<u>1,227,343</u>	<u>157,474</u>	<u>58,133</u>	<u>102,687</u>	<u>1,545,637</u>

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

Group	31 March 2014 £	31 December 2012 £
Plant and machinery	-	3,622
Furniture, fittings and equipment	14,485	14,624
	<u>14,485</u>	<u>18,246</u>

Notes to the Financial Statements

For the 15 months ended 31 March 2014

7. Fixed asset investments

Company	Shares in group undertakings £
Cost or valuation	
At 1 January 2013	431
Additions	400
At 31 March 2014	831
Net book value	
At 31 March 2014	831
At 31 December 2012	431

Details of the principal subsidiaries can be found under note number 8.

8. Principal subsidiaries

Company name	Class	Percentage Shareholding	Principal activity
Atlantic New Media Limited	Ordinary	100%	Non-trading
Atlantic Productions Limited	Ordinary	100%	Documentary film production
Serengeti Limited	Ordinary	100%	Distribution of feature films
Zoo Limited	Ordinary	100%	Graphic services
Video 77 Limited	Ordinary	100%	Leasing of equipment and studio
Atlantic Productions (Chevalier) Limited	Ordinary	100%	Non-trading
Geffen Medavoy Limited	Ordinary	51%	Non-trading
Atlantic Pictures Limited	Ordinary	100%	Non-trading
Colossus Productions Limited	Ordinary	80%	Documentary film production
Colossus Production (NHM) Limited*	Ordinary	80%	Documentary film production
Colossus Productions (COTS) Limited*	Ordinary	80%	Documentary film production

(*) shares held indirectly

9. Work in progress

	Group		Company	
	31 March 2014	31 December 2012	31 March 2014	31 December 2012
	£	£	£	£
Work in progress	74,214	184,587	-	-

Notes to the Financial Statements

For the 15 months ended 31 March 2014

10. Debtors

	Group		Company	
	31 March 2014	31 December 2012	31 March 2014	31 December 2012
	£	£	£	£
Trade debtors	2,083,729	348,917	-	-
Amounts owed by group undertakings	-	-	3,185,966	-
Corporation tax	-	94,186	-	-
Called up share capital not paid	-	149	-	100
Other debtors	2,312,015	552,348	-	-
Prepayments and accrued income	74,294	276,801	-	-
	4,470,038	1,272,401	3,185,966	100

**11. Creditors:
Amounts falling due within one year**

	Group		Company	
	31 March 2014	31 December 2012	31 March 2014	31 December 2012
	£	£	£	£
Net obligations under finance leases and hire purchase contracts	5,693	14,382	-	-
Trade creditors	893,025	171,998	-	-
Amounts owed to group undertakings	-	-	431	431
Corporation tax	183,002	-	-	-
Taxes and social security costs	265,822	319,926	-	-
Other creditors	424,532	-	-	-
Accruals and deferred income	3,387,271	5,423,769	-	-
	5,159,345	5,930,075	431	431

**12. Creditors:
Amounts falling due after more than one year**

	Group		Company	
	31 March 2014	31 December 2012	31 March 2014	31 December 2012
	£	£	£	£
Net obligations under finance leases and hire purchase contracts	9,616	-	-	-

Notes to the Financial Statements

For the 15 months ended 31 March 2014

12. Creditors:**Amounts falling due after more than one year (continued)**

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

	<u>Group</u>		<u>Company</u>	
	<u>31 March</u>	<u>31 December</u>	<u>31 March</u>	<u>31 December</u>
	<u>2014</u>	<u>2012</u>	<u>2014</u>	<u>2012</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Between one and five years	9,616	-	-	-

13. Deferred taxation

	<u>Group</u>		<u>Company</u>	
	<u>31 March</u>	<u>31 December</u>	<u>31 March</u>	<u>31 December</u>
	<u>2014</u>	<u>2012</u>	<u>2014</u>	<u>2012</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Balance at 1 January 2013	26,000	17,507	-	-
Charge for the 15 month period	23,896	8,493	-	-
Balance at 31 December 2014	49,896	26,000	-	-

The provision for deferred taxation is made up as follows:

	<u>Group</u>		<u>Company</u>	
	<u>31 March</u>	<u>31 December</u>	<u>31 March</u>	<u>31 December</u>
	<u>2014</u>	<u>2012</u>	<u>2014</u>	<u>2012</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Accelerated capital allowances	49,896	26,000	-	-

14. Pension commitments

The group operated a defined contribution pension scheme on behalf of its three directors. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions were paid based upon the recommendations of a qualified actuary. There was no annual commitment to the scheme and the charge in the profit and loss account varied due to changes in the level of the maximum available contribution.

On 25 March 2014 a defined benefit pension scheme, the Atlantic Productions Executive Pension Scheme was established for the benefit of two directors. At period end the scheme was fully funded, with £192,300 being paid in, and there being no liability owed by the company.

	<u>2014</u>	<u>2012</u>
	<u>£</u>	<u>£</u>
Defined contributions payable by the group for the year	50,000	100,000

Notes to the Financial Statements

For the 15 months ended 31 March 2014

15. Provisions

	Provisions £
Group	
At 1 January 2013	-
Additions	2,167,333
	<hr/>
At 31 March 2014	2,167,333
	<hr/>

Provisions relate primarily to expected production deficits and are the shortfall between anticipated costs to achieve delivery and the related contracted income. £400,000 relates to obligations under production contracts.

The Company has no provisions.

16. Share capital

	31 March 2014 £	31 December 2012 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100
	<hr/>	<hr/>

17. Reserves

	Profit and loss account £
Group	
At 1 January 2013	2,163,208
Profit for the 15 months	1,055,714
Dividends: Equity capital	(450,000)
	<hr/>
At 31 March 2014	2,768,922
	<hr/>
Company	
Profit for the 15 months	3,636,366
Dividends: Equity capital	(450,000)
	<hr/>
At 31 March 2014	3,186,366
	<hr/>

Notes to the Financial Statements

For the 15 months ended 31 March 2014

18. Minority interests

Equity

At 1 January 2013

Proportion of profit/(loss) after taxation for the 15 months

At 31 March 2014

£
(152,101)
(245,998)
(398,099)

19. Reconciliation of movement in shareholders' funds

	31 March 2014	31 December 2012
Group	£	£
Opening shareholders' funds	2,163,308	1,965,596
Profit for the 15 month period/year	1,055,714	197,712
Dividends (Note 21)	(450,000)	-
Closing shareholders' funds	<u>2,769,022</u>	<u>2,163,308</u>

	31 March 2014	31 December 2012
Company	£	£
Opening shareholders' funds	100	100
Profit for the 15 month period/year	3,636,366	-
Dividends (Note 21)	(450,000)	-
Closing shareholders' funds	<u>3,186,466</u>	<u>100</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account.

The profit for the 15 month period/year dealt with in the accounts of the company was £3,636,366 (2012 - £Nil).

20. Financial commitments

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

	Land and buildings	
	31 March 2014	31 December 2012
Group	£	£
Expiry date:		
After more than 5 years	<u>165,000</u>	<u>165,000</u>

Notes to the Financial Statements

For the 15 months ended 31 March 2014

21. Dividends

	15 months ended 31 March 2014 £	12 months ended 31 December 2012 £
Dividends paid on equity capital	450,000	-
A dividend of £4,500 per share was declared on 7 March 2014.		

22. Net cash flow from operating activities

	15 months ended 31 March 2014 £	12 months ended 31 December 2012 £
Operating profit	1,163,455	20,809
Depreciation of tangible fixed assets	209,598	220,553
Loss/(profit) on disposal of tangible fixed assets	1,121	(187)
Decrease/(increase) in work in progress	110,374	(183,447)
(Increase)/decrease in debtors	(3,205,731)	1,518,704
(Decrease)/increase in creditors	(945,044)	580,555
Increase in provisions	2,167,333	-
Net cash (outflow)/inflow from operating activities	(498,894)	2,156,987

23. Analysis of cash flows for headings netted in cash flow statement

	15 months ended 31 March 2014 £	12 months ended 31 December 2012 £
Returns on investments and servicing of finance		
Interest received	40,002	45,030
Interest paid	(11)	(2,656)
Hire purchase interest	(1,485)	(1,871)
Net cash inflow from returns on investments and servicing of finance	38,506	40,503

Notes to the Financial Statements

For the 15 months ended 31 March 2014

23. Analysis of cash flows for headings netted in cash flow statement (continued)

	15 months ended 31 March 2014 £	12 months ended 31 December 2012 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(210,827)	(205,540)
Sale of tangible fixed assets	7,843	836
Net cash outflow from capital expenditure	(202,984)	(204,704)
	15 months ended 31 March 2014 £	12 months ended 31 December 2012 £
Financing		
New/(repayment of) finance leases	927	(15,853)

24. Analysis of changes in net funds

	1 January 2013 £	Cash flow £	Other non-cash changes £	31 March 2014 £
Cash at bank and in hand	4,964,657	(1,213,325)	-	3,751,332
Debt:				
Debts due within one year	(14,382)	(927)	9,616	(5,693)
Debts falling due after more than one year	-	-	(9,616)	(9,616)
Net funds	4,950,275	(1,214,252)	-	3,736,023

Notes to the Financial Statements

For the 15 months ended 31 March 2014

25. Directors' remuneration

	15 months ended 31 March 2014 £	12 months ended 31 December 2012 £
Remuneration	242,710	338,827
Company contributions to defined contribution pension schemes	50,000	100,000
Company contributions to defined benefit pension schemes	192,300	-

During the 15 months retirement benefits were accruing to 2 directors (2012 - 3) in respect of defined contribution pension schemes.

During the 15 months retirement benefits were accruing to 2 directors (2012 - NIL) in respect of defined benefit pension schemes.

The highest paid director received remuneration of £121,354 (2012 - £107,084).

The value of the group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £50,000 (2012 - £50,000). The value of the group's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £109,500 (2012 - £Nil).

26. Transactions with directors

The following directors had loans during the year. The movement on these loans are as follows:

	31 March 2014 £	31 December 2012 £	Maximum in year £
A D H Geffen	-	357,171	357,171

During the year, £Nil (2012 - £13,978) was advanced to the director as a loan. Interest at 4% was charged on this loan. The director repaid £357,171 (2012 - £34,000) and at the year end £Nil (2012 - £357,171) was outstanding.

Notes to the Financial Statements

For the 15 months ended 31 March 2014

27. Staff costs

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

	15 months ended 31 March 2014 £	12 months ended 31 December 2012 £
Wages and salaries	2,620,369	729,880
Social security costs	286,805	135,999
Other pension costs	242,300	89,245
	<u>3,149,474</u>	<u>955,124</u>

The average monthly number of employees, including the directors, during the 15 months was as follows:

	15 months ended 31 March 2014 No.	12 months ended 31 December 2012 No.
Office and administration	19	18
Development and production	32	3
	<u>51</u>	<u>21</u>

28. Significant transactions

The company has entered into certain sale and leaseback transactions of television programme rights. Funds received from these transactions are held in a deposit account and comprise monies to provide for the full discharge of future leasing liabilities. The banks with which these sums are deposited have given guarantees to the lessors in respect of these lease liabilities.

	2014 £	2012 £
Amount held on deposit	327,166	436,585
Less capital element of leasing liabilities outstanding	(327,166)	(436,585)
	<u>-</u>	<u>-</u>

The maturity of the above is as follows:

Within one year	(327,166)	(109,601)
After one year and within two years	-	(327,166)
	<u>(327,166)</u>	<u>(436,767)</u>

Notes to the Financial Statements

For the 15 months ended 31 March 2014

29. Related party transactions

The Group has taken advantage of the exemption in Financial Reporting Standard Number 8 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 period, Atlantic Productions Limited, a subsidiary company paid £92,813 (2012 - £74,292) in rent to the Atlantic Productions Executive Pension Scheme, of which A D H Geffen and C M C Perkins are trustees. The Pension Scheme owns a percentage of Brook Green House. At 31 March 2014 there was no amounts outstanding (2012 - £nil).

During the period, Video 77 Limited, a subsidiary company recharged Altitude Films Limited a related party through common ownership £Nil (2012 - £15) for use of facilities. Altitude Films repaid £Nil (2012 - £13,213) and at the period end £Nil (2012 - £Nil) was owed to Video 77 Limited.

Atlantic Productions Limited charged £Nil (2012 - £13,796) to Altitude Films Limited for production related activities. Altitude Films recharged expenses incurred on behalf Atlantic Productions Limited of £Nil (2012 - £60,000) and the company incurred expenses of £Nil (2012: £26,910) on behalf of Altitude Films Limited. At period end the amount owed to Atlantic Productions amounted to £Nil (2012 - £285,552 (£106,000 after provisions)).

The balances owed to the group companies by Altitude Films Limited are included in other debtors.

During the period Colossus Productions (COTS) Limited was charged £437,463 (2012: £nil) by Atlantic Productions Limited and £47,555 (2012: £nil) by Video 77 Limited, both fellow subsidiaries, for services relating to production activities. At period end £318,781 (2012: £nil) was owed to Colossus Productions (COTS) Limited by Colossus Productions Limited, the immediate parent undertaking.

During the period Colossus Productions Limited was charged £925,787 (2012: £1,250,012) by Atlantic Productions Limited, £738,960 (2012: £684,394) by Zoo Limited and £375,604 (2012: £247,170) by Video 77 Limited, which are fellow subsidiaries, for services relating to production activities. At period end £80 (2012: £80) was owed to Colossus Productions Limited by Atlantic Holdings Limited, £1,855,981 (2012: £220,517) was owed to Atlantic Productions Limited (2012: £220,517 owed by Atlantic Productions Limited), £nil (2012: £139,944) was owed to Video 77 Limited and £nil (2012: £9,963) was owed by Zoo Limited.

During the period Colossus Productions (NHM) Limited was charged £382,399 (2012: £nil) by Atlantic Productions Limited, £1,988,100 (2012: £nil) by Zoo Limited and £201,767 (2012: £nil) by Video 77 Limited, which are fellow subsidiaries, for services relating to production activities. At period end £1,117,386 (2012: £nil) was owed by Colossus Productions (NHM) Limited to Colossus Productions Limited, the immediate parent undertaking.

At 31 March 2014 £999,598 (2012: £nil) was owed to Colossus Productions Limited by Serengeti Entertainment Limited, which relates to proceeds from distribution sales.

30. Controlling party

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

Notes to the Financial Statements

For the 15 months ended 31 March 2014

31. Contingent liabilities

A subsidiary of the Group is the subject on an on-going enquiry into a past tax return by HMRC. This has the potential to give rise to liabilities of which the likelihood, timing and amount are currently unknown.