

ATLANTIC HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

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ATLANTIC HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Anthony Geffen Claudia Perkins Ian 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 30 Finsbury Square London EC2A 1AG

ATLANTIC HOLDINGS LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 6
Consolidated statement of comprehensive income	7
Consolidated statement of financial position	8 - 9
Company statement of financial position	10
Consolidated statement of changes in equity	11
Company statement of changes in equity	12
Consolidated statement of cash flows	13 - 14
Notes to the financial statements	15 - 32

ATLANTIC HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

The directors present their report and the financial statements for the year ended 31 March 2018.

Directors' responsibilities statement

The directors are responsible for preparing 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.

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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and 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:

Anthony Geffen
Claudia Perkins
Ian Gray

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves 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 2018

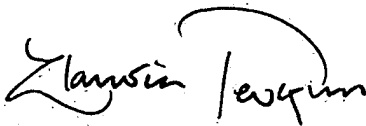
Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



Claudia Perkins
Director

Date: 12/10/18



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATLANTIC HOLDINGS LIMITED

Opinion

We have audited the financial statements of Atlantic Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2018, which comprise the Consolidated Statement of comprehensive income, the Consolidated and Company Statements of financial position, the Consolidated Statement of cash flows, the Consolidated and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2018 and of the Group's for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Who we are reporting to

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.

Conclusions relating to going concern

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

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATLANTIC HOLDINGS LIMITED
(CONTINUED)**

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken during the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATLANTIC HOLDINGS LIMITED
(CONTINUED)**

Matter on which we are required to report by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATLANTIC HOLDINGS LIMITED
(CONTINUED)**

Responsibilities of directors for the financial statements

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

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



Nicholas Page (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

London

Date: 12/10/16

ATLANTIC HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	2018 £	2017 £
Turnover	4	5,252,108	9,426,780
Cost of sales		(2,106,105)	(5,144,193)
Gross profit		3,146,003	4,282,587
Administrative expenses		(3,841,932)	(3,099,779)
Operating (loss)/profit		(695,929)	1,182,808
Interest receivable and similar income	5	3,689	5,786
Interest payable and expenses	6	(63,378)	(77,554)
(Loss)/profit before taxation		(755,618)	1,111,040
Tax on (loss)/profit	7	(121,570)	(16,621)
(Loss)/profit for the financial year		(877,188)	1,094,419
Unrealised surplus on revaluation of tangible fixed assets		469,040	66,151
Other comprehensive income for the year		469,040	66,151
Total comprehensive income for the year		(408,148)	1,160,570
(Loss)/profit for the year attributable to:			
Non-controlling interests		(36,420)	93,342
Owners of the parent Company		(840,768)	1,001,077
		(877,188)	1,094,419

All amounts relate to continuing operations.

There were no recognised gains and losses for 2018 or 2017 other than those included in the consolidated statement of comprehensive income.

The notes on pages 15 to 32 form part of these financial statements.

ATLANTIC HOLDINGS LIMITED
REGISTERED NUMBER:02811673

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	9	4,665,668	4,355,935
Investments	10	250	100
		<u>4,665,918</u>	<u>4,356,035</u>
Current assets			
Work in progress	13	35,240	15,340
Debtors: amounts falling due within one year	14	968,571	2,827,244
Cash at bank and in hand	15	2,946,612	4,282,750
		<u>3,950,423</u>	<u>7,125,334</u>
Creditors: amounts falling due within one year	16	(2,043,277)	(4,301,840)
Net current assets		<u>1,907,146</u>	<u>2,823,494</u>
Total assets less current liabilities		<u>6,573,064</u>	<u>7,179,529</u>
Creditors: amounts falling due after more than one year	17	(694,548)	(882,076)
Provisions for liabilities			
Deferred taxation	19	(34,202)	-
		<u>(34,202)</u>	<u>-</u>
Net assets		<u><u>5,844,314</u></u>	<u><u>6,297,453</u></u>

ATLANTIC HOLDINGS LIMITED
REGISTERED NUMBER:02811673

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Capital and reserves			
Share capital	20	100	100
Revaluation reserve	21	1,156,179	687,139
Retained earnings	21	4,688,035	5,528,803
Equity attributable to owners of the parent Company		<u>5,844,314</u>	<u>6,216,042</u>
Non-controlling interests		-	81,411
		<u>5,844,314</u>	<u>6,297,453</u>

The financial statements have been prepared and in accordance with provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A- small entities.

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


Claudia Perkins

Director

Date: 12/10/18

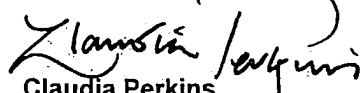
The notes on pages 15 to 32 form part of these financial statements.

ATLANTIC HOLDINGS LIMITED
REGISTERED NUMBER:02811673

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	9	303,311	310,984
Investments	10	1,001	1,031
Investment property	12	3,700,000	3,296,898
		<u>4,004,312</u>	<u>3,608,913</u>
Current assets			
Debtors: amounts falling due within one year	14	2,514,177	3,065,809
Cash at bank and in hand	15	1,672,969	765,595
		<u>4,187,146</u>	<u>3,831,404</u>
Creditors: amounts falling due within one year	16	(398,099)	(349,709)
Net current assets		<u>3,789,047</u>	<u>3,481,695</u>
Total assets less current liabilities		<u>7,793,359</u>	<u>7,090,608</u>
Creditors: amounts falling due after more than one year	17	(644,215)	(882,076)
Provisions for liabilities			
Deferred taxation	19	(12,394)	(9,983)
		<u>(12,394)</u>	<u>(9,983)</u>
Net assets		<u><u>7,136,750</u></u>	<u><u>6,198,549</u></u>
Capital and reserves			
Share capital	20	100	100
Retained earnings	21	7,136,650	6,198,449
		<u><u>7,136,750</u></u>	<u><u>6,198,549</u></u>

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


Claudia Perkins
 Director

Date: 12/10/18

The notes on pages 15 to 32 form part of these financial statements.

ATLANTIC HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Share capital	Revaluation reserve	Retained earnings	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£	£	£	£	£	£
At 1 April 2017	100	687,139	5,528,803	6,216,042	81,411	6,297,453
Loss for the year	-	-	(840,768)	(840,768)	(36,420)	(877,188)
Revaluation movement of freehold property	-	469,040	-	469,040	-	469,040
Total comprehensive income for the year	-	469,040	(840,768)	(371,728)	(36,420)	(408,148)
Dividends - non-controlling interests	-	-	-	-	(44,991)	(44,991)
At 31 March 2018	100	1,156,179	4,688,035	5,844,314	-	5,844,314

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

The notes on pages 15 to 32 form part of these financial statements.

ATLANTIC HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Share capital £	Retained earnings £	Total equity £
At 1 April 2017	100	6,198,449	6,198,549
Comprehensive income for the year			
Profit for the year	-	938,201	938,201
	-	938,201	938,201
Total comprehensive income for the year			
At 31 March 2018	100	7,136,650	7,136,750

**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
	-	2,952,746	2,952,746
Total comprehensive income for the year			
Contributions by and distributions to owners			
Dividends	-	(560,000)	(560,000)
At 31 March 2017	100	6,198,449	6,198,549

The notes on pages 15 to 32 form part of these financial statements.

ATLANTIC HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018**

	2018 £	2017 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(877,188)	1,094,419
Adjustments for:		
Depreciation of tangible assets	412,539	314,939
Bad debt write off	149,952	-
Loss on disposal of tangible assets	(498)	55,598
Interest paid	63,378	77,554
Interest received	(3,690)	(5,786)
Taxation charge	121,570	16,621
(Increase)/decrease in work in progress	(19,900)	70,237
Decrease in debtors	1,364,911	164,913
(Decrease)/increase in creditors	(2,271,487)	208,114
Corporation tax received/(paid)	345,606	(91,902)
Net cash generated from operating activities	(714,807)	1,904,707
Cash flows from investing activities		
Purchase of tangible fixed assets	(294,292)	(809,631)
Sale of tangible fixed assets	563	27,000
Interest received	3,690	5,786
HP interest paid	(1,956)	(2,554)
Purchase of share in associates	(150)	(100)
Net cash from investing activities	(292,145)	(779,499)

ATLANTIC HOLDINGS LIMITED

(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

	2018 £	2017 £
Cash flows from financing activities		
Repayment of other loans	(285,035)	(271,462)
Repayment of/new finance leases	62,262	(6,724)
Dividends paid	-	(560,000)
Non controlling interest dividends paid	(44,991)	(134,000)
Interest paid	(61,422)	(75,000)
Net cash used in financing activities	<u>(329,186)</u>	<u>(1,047,186)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(1,336,138)</u>	<u>78,022</u>
Cash and cash equivalents at beginning of year	<u>4,282,750</u>	<u>4,204,728</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u>2,946,612</u>	<u>4,282,750</u>

The notes on pages 15 to 32 form part of these financial statements.

ATLANTIC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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. The company's registered number can be found on the Company Information page.

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 the provision of Section 1A "Small Entities Financial Reporting Standard 102, the "Financial Reporting Standard applicable in the UK and the Republic of Ireland" and the Companies Act 2006.

The presentation currency is £ sterling.

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').

2.3 Going concern

The directors have reviewed the Group and Company's financial position for the 12 month period from the date of approval of these financial statements. 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.

ATLANTIC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

2.6 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 the statement of comprehensive income.

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.

2.9 Investments

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

ATLANTIC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

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.

ATLANTIC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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 instrument 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 the 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.

ATLANTIC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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.

ATLANTIC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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 a third party valuation, applying their own assumptions and estimates for the current year.

Allowance for doubtful debts

The Company is required to judge when there is sufficient objective evidence to require impairment of individual trade receivables. It does this on the basis of the age of relevant receivables.

Depreciation policies

The directors have applied the depreciation policies which are summarised in Note 2.4 which they consider to match the useful life or lease term of the assets.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the profitability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised. In addition, significant judgements is required in assessing the impact if any legal or economic limited or uncertainties in various jurisdictions.

ATLANTIC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

4. Operating profit/(loss)

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

	2018 £	2017 £
Depreciation of tangible fixed assets	420,068	314,939
Auditor's remuneration - Group audit	33,000	46,000
Auditor's remuneration - Group non-audit services	25,500	16,000
Foreign exchange	61,441	(107,846)
	<u>61,441</u>	<u>(107,846)</u>

The Company audit fee for the period was £2,000 (2017: £2,000).

5. Interest receivable

	2018 £	2017 £
Bank interest receivable	3,147	5,786
Other interest receivable	542	-
	<u>3,689</u>	<u>5,786</u>

6. Interest payable

	2018 £	2017 £
Other interest payable	61,422	75,000
Hire purchase interest	1,956	2,554
	<u>63,378</u>	<u>77,554</u>

ATLANTIC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

7. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	7,481	-
Adjustments in respect of prior periods	(11,219)	(19,005)
	(3,738)	(19,005)
Double taxation relief	(7,481)	-
	(11,219)	(19,005)
Foreign tax		
Foreign tax on income for the year	16,637	24,118
Total current tax	5,418	5,113
Deferred tax		
Origination and reversal of timing differences	116,152	909
Prior year adjustment	-	10,690
Difference in tax rates	-	(91)
Total deferred tax	116,152	11,508
Taxation on profit on ordinary activities	121,570	16,621

ATLANTIC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - *lower than*) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>(755,618)</u>	<u>1,111,040</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	(143,567)	222,216
Effects of:		
Difference between capital allowances and depreciation	5,228	1,317
Tax losses arising/(utilised) in year	-	(183,405)
Non deductible expenses	172,315	19,705
Income not taxable for tax purposes	(122,033)	-
Adjustments to tax charge in respect of prior periods	(11,219)	(8,314)
Other timing differences	-	138
Film tax credit adjustment	-	(47,696)
Difference in tax rates	10,057	(220)
Overseas tax	9,156	12,880
Deferred tax not recognised	201,633	-
Total tax charge for the year	<u><u>121,570</u></u>	<u><u>16,621</u></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 £938,201 (2017 - £2,952,746).

The company's accounts for the year ended 31 March 2018 were subject to audit by Grant Thornton UK LLP. The Senior Statutory auditor is Nicholas Page. The audit report was unqualified.

ATLANTIC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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 2017 (as previously stated)	3,296,898	1,155,307	945,010	703,217	6,100,432
Prior Year Adjustment	-	-	703,217	(703,217)	-
At 1 April 2017 (as restated)	3,296,898	1,155,307	1,648,227	-	6,100,432
Additions	-	25,355	268,937	-	294,292
Disposals	-	-	(262,757)	-	(262,757)
Revaluations	403,102	-	-	-	403,102
At 31 March 2018	3,700,000	1,180,662	1,654,407	-	6,535,069
Depreciation					
At 1 April 2017 (as previously stated)	-	714,149	470,983	559,364	1,744,496
Prior Year Adjustment	-	-	559,364	(559,364)	-
At 1 April 2017 (as restated)	-	714,149	1,030,347	-	1,744,496
Charge for the year	65,938	59,010	295,120	-	420,068
Disposals	-	-	(229,226)	-	(229,226)
On revalued assets	(65,938)	-	-	-	(65,938)
At 31 March 2018	-	773,159	1,096,241	-	1,869,400
Net book value					
At 31 March 2018	3,700,000	407,503	558,166	-	4,665,669
At 31 March 2017	3,296,898	441,157	617,880	-	4,355,935

ATLANTIC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

9. Tangible fixed assets (continued)

A valuation of the group's freehold land and buildings was undertaken by a professional independent valuer on 20 June 2018 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 2018 to be £3,700,000 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 £2,553,759.

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

	2018 £	2017 £
Furniture, fittings and equipment	<u>75,023</u>	<u>15,131</u>
Company		
		Land and buildings Leasehold £
Cost or valuation		
At 1 April 2017		310,984
Additions		25,355
At 31 March 2018		<u>336,339</u>
Depreciation		
Charge for the year		33,028
At 31 March 2018		<u>33,028</u>
Net book value		
At 31 March 2018		<u>303,311</u>
At 31 March 2017		<u>310,984</u>

ATLANTIC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

10. Fixed asset investments

Group

**Investments
in
associates
£**

Cost or valuation

At 1 April 2017	100
Additions	150
At 31 March 2018	<u>250</u>

Net book value

At 31 March 2018	<u>250</u>
At 31 March 2017	<u>100</u>

Company

**Shares in
group
undertaking
£**

Cost or valuation

At 1 April 2017	1,031
Additions	170
Disposals	(200)
At 31 March 2018	<u>1,001</u>

Net book value

At 31 March 2018	<u>1,001</u>
At 31 March 2017	<u>1,031</u>

ATLANTIC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

11. Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class	Holding	Principal activity
Atlantic Productions Limited	England	Ordinary	100%	Documentary film production
Serengeti Entertainment Limited	England	Ordinary	100%	Distribution of entertainment content across multiple platforms
Zoo Limited	England	Ordinary	100%	Graphic services
Video 77 Limited	England	Ordinary	100%	Licensing of rights to music and archive
Geffen Medavoy Pictures Limited	England	Ordinary	51%	Non trading
Atlantic Pictures Limited	England	Ordinary	100%	Non trading
Colossus Productions Limited	England	Ordinary	100%	Documentary film production
Colossus Production (NHM) Limited*	England	Ordinary	100%	Documentary film production
Colossus Productions (COTS) Limited*	England	Ordinary	100%	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

Audit exemption

The following entities have taken advantage of the exemption from audit under section 479a of the Companies Act 2006:

- Video 77 Limited
- Geffen Medavoy Limited
- Atlantic Pictures Limited
- Rowan Brook Limited
- Atlantic Productions (UAE) Limited
- Atlantic Productions SPV1 Limited

ATLANTIC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

12. Investment property

Company

	Freehold investment property £
Valuation	
At 1 April 2017	3,296,898
Surplus on revaluation	403,102
At 31 March 2018	3,700,000

13. Work in progress

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Work in progress	35,240	15,340	-	-

14. Debtors

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade debtors	513,706	1,503,031	-	-
Amounts owed by group undertakings	-	-	2,513,812	3,065,606
Other debtors	132,336	544,147	365	203
Prepayments and accrued income	322,529	698,112	-	-
Deferred taxation	-	81,954	-	-
	968,571	2,827,244	2,514,177	3,065,809

Amounts owed by group undertakings are unsecured and repayable on demand. Interest is charged per annum at 5% above the Bank of England base rate.

ATLANTIC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

15. Cash and cash equivalents

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Cash at bank and in hand	<u>2,946,612</u>	<u>4,282,750</u>	<u>1,672,969</u>	<u>765,595</u>

16. Creditors: Amounts falling due within one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Other loans	299,287	346,462	299,287	346,462
Trade creditors	96,299	118,272	339	1,218
Amounts owed to group undertakings	-	-	96,473	-
Corporation tax	-	11,119	-	-
Other taxation and social security	76,056	181,999	-	-
Net obligations under finance lease and hire purchase contracts	30,528	18,599	-	-
Other creditors	2,392	1,840	-	29
Accruals and deferred income	1,538,715	3,623,549	2,000	2,000
	<u>2,043,277</u>	<u>4,301,840</u>	<u>398,099</u>	<u>349,709</u>

Amounts owed to group undertakings are unsecured and repayable on demand. Interest is charged per annum at 5% above the Bank of England base rate.

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

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Other loans	644,215	882,076	644,215	882,076
Net obligations under finance leases and hire purchase contracts	50,333	-	-	-
	<u>694,548</u>	<u>882,076</u>	<u>644,215</u>	<u>882,076</u>

ATLANTIC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

18. Loans

Other loans represents a loan due to the Atlantic Productions Executive Pension Scheme, of which Anthony Geffen and Claudia 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 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Amounts falling due within one year				
Other loans	299,287	346,462	299,287	346,462
Amounts falling due 2-5 years				
Other loans	644,215	882,076	644,215	882,076
	<u>943,502</u>	<u>1,228,538</u>	<u>943,502</u>	<u>1,228,538</u>

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

19. Deferred taxation

Group

	2018 £
At beginning of year	81,954
Charged to profit or loss	(116,156)
At end of year	<u><u>(34,202)</u></u>

The deferred taxation balance is made up as follows:

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Accelerated capital allowances	(46,149)	(56,012)	(12,394)	(9,983)
Other timing differences	192	406	-	-
Tax losses carried forward	11,755	137,560	-	-
	<u>(34,202)</u>	<u>81,954</u>	<u>(12,394)</u>	<u>(9,983)</u>

ATLANTIC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

20. Share capital

	2018 £	2017 £
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 2017	81,411
Proportion of profit after taxation for the year	(36,420)
Dividends paid	(44,991)
At 31 March 2018	<u>-</u>

23. Dividends

	2018 £	2017 £
Dividends paid on equity capital	<u>-</u>	<u>560,000</u>

24. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	<u>350,000</u>	<u>315,000</u>

During the year retirement benefits were accruing to no directors (2017 - NIL) in respect of defined contribution pension schemes.

ATLANTIC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

25. Staff costs

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

	Group 2018 £	Group 2017 £
Wages and salaries	1,935,922	2,584,850
Social security costs	249,006	238,946
Cost of defined contribution scheme	29,560	20,650
	<u>2,214,488</u>	<u>2,844,446</u>

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

	2018 No.	2017 No.
Office and administration	21	18
Development and production	26	33
	<u>47</u>	<u>51</u>

26. Related party transactions

During the year Atlantic Productions Limited made sales of £294,992 (2017: £1,019,897) to Alchemy VR Limited and incurred net recharges of £36,559 (2017: £172,462). At the year end Atlantic Productions Limited owed £Nil (2017: £987) to Alchemy VR Limited. Alchemy VR Limited is a related party by virtue of a common director.

During the year the Group paid rent of £24,000 (2017: £24,000) for the use of a property owned by Anthony Geffen and Claudia Perkins.

During the year the Group paid caretaker service charges of £5,000 (2017: £Nil) to Grange Farm Partnership, a business held in partnership by Anthony Geffen and Claudia Perkins.

27. Controlling party

Through his interest in the shares of the company, the group is under the control of Anthony Geffen.