

Registered number: 04088359

Platform Entertainment Limited

Unaudited

Financial statements

Information for filing with the registrar

For the year ended 31 December 2016

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Statement of financial position

As at 31 December 2016

| | Note | 2016 £ | 2015 £ |
|--|------|-----------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 4 | 552,282 | 101,545 |
| | | <u>552,282</u> | <u>101,545</u> |
| Current assets | | | |
| Stocks | 5 | 155,771 | 544,933 |
| Debtors: amounts falling due within one year | 6 | 2,121,037 | 2,170,610 |
| Cash at bank and in hand | 7 | 331,663 | 502,447 |
| | | <u>2,608,471</u> | <u>3,217,990</u> |
| Creditors: amounts falling due within one year | 8 | (2,294,822) | (2,108,838) |
| Net current assets | | <u>313,649</u> | <u>1,109,152</u> |
| Total assets less current liabilities | | <u>865,931</u> | <u>1,210,697</u> |
| Provisions for liabilities | | | |
| Other provisions | | (60,278) | (209,553) |
| | | <u>(60,278)</u> | <u>(209,553)</u> |
| Net assets | | <u><u>805,653</u></u> | <u><u>1,001,144</u></u> |
| Capital and reserves | | | |
| Called up share capital | | 240 | 240 |
| Share premium account | | 2,052,654 | 2,052,654 |
| Profit and loss account | | (1,247,241) | (1,051,750) |
| Shareholders' funds | | <u><u>805,653</u></u> | <u><u>1,001,144</u></u> |

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the 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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

Platform Entertainment Limited
Registered number:04088359

Statement of financial position (continued)

As at 31 December 2016



S Pollard

Director

Date: 22nd February 2018

The notes on pages 4 to 10 form part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2016

| | Called up share capital | Share premium account | Profit and loss account | Total equity |
|--|----------------------------|-----------------------------|----------------------------|----------------|
| | £ | £ | £ | £ |
| At 1 January 2016 | 240 | 2,052,654 | (1,051,750) | 1,001,144 |
| Comprehensive income for the year | | | | |
| Loss for the year | - | - | (195,491) | (195,491) |
| Total comprehensive income for the year | - | - | (195,491) | (195,491) |
| Total transactions with owners | - | - | - | - |
| At 31 December 2016 | 240 | 2,052,654 | (1,247,241) | 805,653 |

Statement of changes in equity

For the year ended 31 December 2015

| | Called up share capital | Share premium account | Profit and loss account | Total equity |
|--|----------------------------|-----------------------------|----------------------------|------------------|
| | £ | £ | £ | £ |
| At 1 January 2015 | 240 | 2,052,654 | (984,553) | 1,068,341 |
| Comprehensive income for the year | | | | |
| Loss for the year | - | - | (67,197) | (67,197) |
| Total comprehensive income for the year | - | - | (67,197) | (67,197) |
| Total transactions with owners | - | - | - | - |
| At 31 December 2015 | 240 | 2,052,654 | (1,051,750) | 1,001,144 |

The notes on pages 4 to 10 form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2016

1. General information

Platform Entertainment Limited is a private company limited by shares, registered and incorporated in England. The Company's registered office is 6th Floor, 16 Dufours Place, London, W1F 7SP.

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 Section 1A of 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 management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Turnover

Turnover consists of sales of goods, theatrical income, firm sales and film sale commissions at invoiced value excluding VAT and discounts. Turnover is recognised as earned when and to the extent that the company obtains right to consideration in exchange for goods and services. Full value is taken for contracted sales when all conditions have been met.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

2.3 Tangible fixed assets

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:

| | | |
|-------------------|---|--|
| Office equipment | - | 33% per annum on cost |
| Master film costs | - | 85% in the first year, 9% in the second year and 6% in the third year. |

2.4 Operating leases

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Notes to the financial statements

For the year ended 31 December 2016

2. Accounting policies (continued)

2.5 Stocks

Stocks of raw materials and finished goods are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. Stock values are computed using the first in, first out method. Costs included are those incurred in bringing the product to its present location and condition, including purchase price and other directly attributable costs less trade discounts and subsidies.

The estimation technique used for the calculation of provisions against cost for obsolete and slow moving items uses historic sales as a basis for future stock level requirements.

2.6 Royalty reserves

Royalty reserves included in prepayments consists of amounts paid by the company in advance of royalties due on sales of film titles. Royalty reserves are not recoverable if sales do not achieve the required level and therefore a provision is made based on projected future sales.

2.7 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of comprehensive income 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 Company in independently administered funds.

2.8 Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the reporting date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Notes to the financial statements

For the year ended 31 December 2016

2. Accounting policies (continued)

2.9 Taxation

Tax is recognised in the 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 operates and generates income.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

2.10 Provision for sales returns

The company operates a twelve month return policy on sales as standard. Certain supermarket sales have an extended return policy. The company has therefore provided for sales returns based on an average of previous returns experience.

2.11 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.

2.12 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.

Notes to the financial statements

For the year ended 31 December 2016

2. Accounting policies (continued)

2.13 Financial instruments

The Company 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 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 Company 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.

2.14 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.

2.15 Finance costs

Finance costs are charged to the 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.

2.16 Interest income

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

Notes to the financial statements

For the year ended 31 December 2016

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

There are no material judgments or estimates used in the preparation of these financial statements.

4. Tangible fixed assets

| | Master film costs £ | Office equipment £ | Total £ |
|--------------------------|---------------------------|--------------------------|------------|
| Cost or valuation | | | |
| At 1 January 2016 | 6,131,939 | 65,282 | 6,197,221 |
| Additions | 296,511 | - | 296,511 |
| At 31 December 2016 | 6,428,450 | 65,282 | 6,493,732 |
| Depreciation | | | |
| At 1 January 2016 | 6,030,394 | 65,282 | 6,095,676 |
| Disposals | (154,226) | - | (154,226) |
| At 31 December 2016 | 5,876,168 | 65,282 | 5,941,450 |
| Net book value | | | |
| At 31 December 2016 | 552,282 | - | 552,282 |
| At 31 December 2015 | 101,545 | - | 101,545 |

5. Stocks

| | 2016 £ | 2015 £ |
|-------------------------------------|-----------|-----------|
| Finished goods and goods for resale | 155,771 | 544,933 |

6. Debtors

| | 2016 £ | 2015 £ |
|------------------------------------|-----------|-----------|
| Trade debtors | 1,358,053 | 1,116,801 |
| Amounts owed by group undertakings | 676,794 | - |
| Other debtors | - | 1,053,809 |
| Prepayments and accrued income | 86,190 | - |
| | 2,121,037 | 2,170,610 |

Notes to the financial statements

For the year ended 31 December 2016

6. Debtors (continued)

Amounts owed by group undertakings are interest free, unsecured and repayable on demand.

7. Cash and cash equivalents

| | 2016 £ | 2015 £ |
|--------------------------|-----------|-----------|
| Cash at bank and in hand | 331,663 | 502,447 |

8. Creditors: Amounts falling due within one year

| | 2016 £ | 2015 £ |
|------------------------------------|-----------|-----------|
| Trade creditors | 1,740,095 | 632,262 |
| Amounts owed to group undertakings | - | 531,716 |
| Other taxation and social security | 79,873 | 260,782 |
| Other creditors | 474,854 | 684,078 |
| | 2,294,822 | 2,108,838 |

Included within other creditors is a loan of £nil (2015: £144,046) due to Anchor Bay Entertainment LLC, the former parent company of Anchor Bay Entertainment UK Limited. The loan is unsecured and interest free.

9. Deferred taxation

At 31 December 2016 deferred tax assets of £1,251,039 have not been provided for (2015: £1,211,941).

The directors have not provided for deferred tax due to uncertainty over future trading profits.

10. Provisions

| | Other provision £ |
|----------------------------|-------------------------|
| At 1 January 2016 | (209,553) |
| Charged to profit or loss | 149,275 |
| At 31 December 2016 | (60,278) |

Other provisions represent an estimate of the value of future returns of DVDs sold as the majority of sales are made on a sale or return basis.

Notes to the financial statements

For the year ended 31 December 2016

11. Share capital

| | 2016 £ | 2015 £ |
|---------------------------------------|-----------|-----------|
| Shares classified as equity | | |
| Allotted, called up and fully paid | | |
| 240 Ordinary shares shares of £1 each | 240 | 240 |

12. Reserves

Share premium account

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account

Includes all current and prior period retained profits and losses.

13. Pension commitments

The company makes payments to employees' personal pension schemes. The assets of these schemes are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions paid by the company and amounted to £10,394 (2015: £21,127).

14. Related party transactions

The company has taken advantage of the exemption, under the terms of FRS 102 Paragraph 33.1A, not to disclose related party transactions with wholly owned subsidiaries within the group.

15. Ultimate parent undertaking and controlling party

The ultimate parent undertaking is KFilm Ltd. The controlling party of KFilm Ltd is Spencer Pollard.

16. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.