

**Banijay UK Limited (formerly Zodiak Media UK Limited)**

**Directors' report and financial statements**

**For the year ended 31 December 2016**

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**Banijay UK Limited (formerly Zodiak Media UK Limited)**

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**Company Information**

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**Directors** F M M Sauvage (appointed 23 February 2016)  
S M Kurinckx (appointed 23 February 2016)  
M Bassetti (appointed 23 February 2016)  
P Langenberg (appointed 5 May 2017)

**Registered number** 4126826

**Registered office** The Gloucester Building  
Kensington Village  
Avonmore Road  
London  
W14 8RF

**Independent auditors** Ernst & Young LLP  
1 More London Place  
London  
SE1 2AF

**Bankers** NatWest  
1 Princes Street  
London  
EC2R 8BP

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**Banijay UK Limited (formerly Zodiak Media UK Limited)**

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**Contents**

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	Page
<b>Strategic report</b>	1
<b>Directors' report</b>	2
<b>Directors' responsibilities statement</b>	3
<b>Independent auditors' report</b>	4 - 5
<b>Statement of comprehensive income</b>	6
<b>Statement of financial position</b>	7
<b>Statement of changes in equity</b>	8
<b>Notes to the financial statements</b>	9 - 23

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**Banijay UK Limited (formerly Zodiak Media UK Limited)**

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**Strategic report  
For the year ended 31 December 2016**

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The directors present their Strategic report for the year ended 31 December 2016. On 18 October 2016, the Company changed its name from Zodiak Media UK Limited to Banijay UK Limited.

**Review of the business**

The principal activity is to act as a parent undertaking for companies involved in the production and distribution of television programmes.

The performance of the Company during 2016 was in line with expectations.

**Business environment**

The UK television market continues to be challenging, with customers maintaining pressure on license fees paid for both new and returning commissions. However, there continue to be new buyers to the marketplace, so the portfolio of potential customers continues to increase.

**Strategy and future developments**

The success of the Company's subsidiaries is dependent upon the successful selling and production of television programmes, and the recruitment and retention of key talent in order to achieve this aim. It is important to continue to diversify the portfolio of customers to take advantage of opportunities available, both in linear and non-linear broadcast channels.

**Key performance indicators**

The entity's key performance indicator is considered to be as follows:

1. Loss before tax - £4.5m (2015 - £5.6m)

**Principal risks and uncertainties**

The Banijay Group SAS manages business and financial risks and uncertainties at group level, rather than on an individual company basis. As a result the Company has reduced exposure to business and financial risks because it is able to call on group financial resources and experience, for instance hedging currency fluctuations.

**Currency risk**

The Company is also exposed to currency risk by virtue of a Euro denomination loan. The Company holds cash in foreign currencies in order to hedge these exposures.

**Credit risk**

The principal credit risk arises from amounts owed from group undertakings.

This report was approved by the board on 22/06/2017 and signed on its behalf.



**P. Langenberg**  
Director

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**Banijay UK Limited (formerly Zodiak Media UK Limited)**

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**Directors' report**  
**For the year ended 31 December 2016**

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The directors present their report and the financial statements for the year ended 31 December 2016.

**Results and dividends**

The loss for the year, after taxation, amounted to £4.5m (2015 - £5.6m).

**Directors**

The directors who served during the year and up to the date of signing were:

J Freeston (resigned 31 December 2016)  
C Deleris (resigned 23 February 2016)  
M-A d'Halluin (resigned 23 February 2016)  
S Farzad (resigned 23 February 2016)  
F M M Sauvage (appointed 23 February 2016)  
S M Kurinckx (appointed 23 February 2016)  
M Bassetti (appointed 23 February 2016)

**Going concern**

The directors have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future.

The financial statements have been prepared on the going concern basis. The Company has made a loss of £4.5m for the year ended 31 December 2016. It is in a net asset position of £16.5m as at 31 December 2016 and is expecting to trade profitably in the foreseeable future based on forecasts.

In addition, the Company's intermediate parent undertaking, Banijay Group SAS has agreed to provide financial support as necessary for a period of at least twelve months from the date the directors approve the financial statements of the Company. The directors, having made sufficient enquiries, are satisfied that Banijay Group SAS is in a position to provide the level of support required and hence have concluded that it is appropriate to prepare the financial statements on a going concern basis.

**Disclosure of information to auditors**

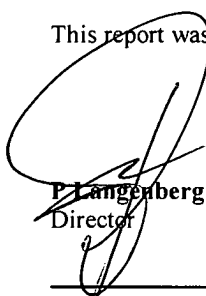
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

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

**Auditors**

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 22/06/2017 and signed on its behalf.



P. Langenberg  
Director

**Directors' responsibilities statement  
For the year ended 31 December 2016**

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The directors are responsible for preparing the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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;

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

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## **Independent auditors' report to the members of Banijay UK Limited (formerly Zodiak Media UK Limited)**

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We have audited the financial statements of Banijay UK Limited (formerly Zodiak Media UK Limited) for the year ended 31 December 2016, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 21. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 Auditors' 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 auditors**

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

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

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

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 101 "Reduced Disclosure Framework"; 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, based on the work undertaken in the course of the audit:

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

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**Independent auditors' report to the members of Banijay UK Limited (formerly Zodiak Media UK Limited)**  
**(continued)**

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

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

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

*Ernst + Young LLP*

Louise Pennell (Senior statutory auditor)  
for and on behalf of

**Ernst & Young LLP**

Statutory Auditor

London

Date: *23/6/17*

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**Banijay UK Limited (formerly Zodiac Media UK Limited)**

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**Statement of comprehensive income**  
**For the year ended 31 December 2016**

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	Note	2016 £000	2015 £000
Administrative (expense)/income		(943)	441
Exceptional administrative expenses	7	(1,625)	-
Write down of investments in subsidiary undertakings	2	(1,473)	(5,371)
<b>Operating loss</b>	2	<b>(4,041)</b>	<b>(4,930)</b>
Income from shares in group companies		-	192
Interest receivable and similar income	5	2	-
Interest payable and expenses	6	(475)	(816)
<b>Loss before tax</b>		<b>(4,514)</b>	<b>(5,554)</b>
Tax on loss	8	-	-
<b>Loss for the year</b>		<b>(4,514)</b>	<b>(5,554)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<b>(4,514)</b>	<b>(5,554)</b>

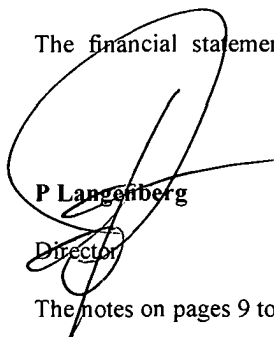
The notes on pages 9 to 23 form part of these financial statements.

**Banijay UK Limited (formerly Zodiac Media UK Limited)**  
**Registered number:4126826**

**Statement of financial position**  
**As at 31 December 2016**

	Note	2016 £000	2015 £000
<b>Fixed assets</b>			
Tangible assets	9	5	24
Investments	10	29,425	30,898
		<u>29,430</u>	<u>30,922</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	11	1,026	520
		<u>1,026</u>	<u>520</u>
Creditors: amounts falling due within one year	12	(6,811)	(4,478)
		<u>(5,785)</u>	<u>(3,958)</u>
<b>Net current liabilities</b>			
		<u>(5,785)</u>	<u>(3,958)</u>
<b>Total assets less current liabilities</b>		<u>23,645</u>	<u>26,964</u>
Creditors: amounts falling due after more than one year	13	(7,122)	(5,927)
		<u>(7,122)</u>	<u>(5,927)</u>
<b>Net assets</b>		<u>16,523</u>	<u>21,037</u>
<b>Capital and reserves</b>			
Called up share capital	15	30,451	30,451
Share premium account	16	19,968	19,968
Profit and loss account		(33,896)	(29,382)
		<u>16,523</u>	<u>21,037</u>
<b>Shareholders' funds</b>		<u>16,523</u>	<u>21,037</u>

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

  
**P Langenberg**  
 Director

The notes on pages 9 to 23 form part of these financial statements.

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**Banijay UK Limited (formerly Zodiac Media UK Limited)**

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**Statement of changes in equity  
For the year ended 31 December 2016**

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	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 January 2016	30,451	19,968	(29,382)	21,037
Loss for the year	-	-	(4,514)	(4,514)
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	-	(4,514)	(4,514)
<b>At 31 December 2016</b>	<b>30,451</b>	<b>19,968</b>	<b>(33,896)</b>	<b>16,523</b>

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**Statement of changes in equity  
For the year ended 31 December 2015**

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	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 January 2015	30,451	19,968	(23,828)	26,591
Loss for the year	-	-	(5,554)	(5,554)
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	-	(5,554)	(5,554)
<b>At 31 December 2015</b>	<b>30,451</b>	<b>19,968</b>	<b>(29,382)</b>	<b>21,037</b>

The notes on pages 9 to 23 form part of these financial statements.

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

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**1. Accounting policies**

**1.1 Authorisation of financial statements and statement of compliance with FRS 101**

The financial statements of Banijay UK Limited (the “company”) for the year ended 31 December 2016 were authorised for issue by the board of directors on 22/06/2017 and the statement of financial position was signed on the board’s behalf by P Langenberg. These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards. The results of Banijay UK Limited are included in the consolidated financial statements of Zodiak Media Limited.

Banijay UK Limited is incorporated and domiciled in England and Wales. The company is private and limited by shares.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Zodiak Media Limited. The Company’s financial statements are individual entity financial statements.

The principal accounting policies adopted by the Company are set out below.

**1.2 Financial reporting standard 101 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

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

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**1. Accounting policies (continued)**

**1.3 Judgements and key sources of estimation uncertainty**

The preparation of financial statements in compliance with FRS 101 requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements and estimations have had the most significant effect on amounts recognised in the financial statements:

*Investments*

Investments are recognised at cost less impairment losses. The carrying amount of investments is assessed annually based on cash flow projections using future financial forecasts and budgets prepared by management. Key assumptions relating to forecasts in revenue growth and decline are used, which include discounting back to present value using a risk-adjusted pre-tax discount rate. In the event that these estimates are wrong, this may impact the financial statements in future years.

**1.4 Going concern**

The directors have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future.

The financial statements have been prepared on the going concern basis. The Company has made a loss of £4.5m for the year ended 31 December 2016. It is in a net asset position of £16.5m as at 31 December 2016 and is expecting to trade profitably in the foreseeable future based on forecasts.

In addition, the Company's intermediate parent undertaking, Banijay Group SAS has agreed to provide financial support as necessary for a period of at least twelve months from the date the directors approve the financial statements of the Company. The directors, having made sufficient enquiries, are satisfied that Banijay Group SAS is in a position to provide the level of support required and hence have concluded that it is appropriate to prepare the financial statements on a going concern basis.

**1.5 Tangible fixed assets**

Depreciation is provided on all property, plant and equipment, other than land, on a straight line basis over its expected useful life as follows:

Office equipment	-	4 years
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The carrying values of fixed assets are reviewed for impairment when assets or changes in circumstances indicate the carrying value may not be recoverable.

**1.6 Investments**

Investments are stated at cost, less any provisions for impairment. The carrying values of fixed asset investments are reviewed for impairment when assets or changes in circumstances indicate the carrying value may not be recoverable.

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

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**1. Accounting policies (continued)**

**1.7 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.

**1.8 Financial instruments**

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

**Financial assets**

The Company recognises its financial assets into the category discussed below.

Other than the financial assets in a qualifying hedging relationship, the Company's accounting policy for this category is as follows:

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

**Financial liabilities**

The Company classifies its financial liabilities into the category discussed below.

**At amortised cost**

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the statement of financial position.

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

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**1. Accounting policies (continued)**

**1.9 Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**1.10 Foreign currency translation**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date.

All differences are taken to the statement of comprehensive income.

Presentational currency and functional currency are the same.

**1.11 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.

**1.12 Pensions**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company. Contributions are charged to the statement of comprehensive income as they become payable in accordance with the rules of the scheme.

**1.13 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**

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**1. Accounting policies (continued)**

**1.14 Taxation**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the statement of financial position date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date. Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the statement of comprehensive income.

**1.15 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

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**Banijay UK Limited (formerly Zodiak Media UK Limited)**

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

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**2. Operating loss**

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

	2016	Restated 2015
	£000	£000
Depreciation of tangible fixed assets	14	11
Exchange differences	1,005	(333)
Defined contribution pension cost	43	63
Write down of investments in subsidiary undertakings	1,473	5,371
	<u>1,473</u>	<u>5,371</u>

The audit fee for both periods was borne by Banijay (Central) Limited, a fellow subsidiary undertaking, on behalf of the company.

Write down of investments in subsidiary undertaking is restated to make it consistent with the statement of comprehensive income

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**Banijay UK Limited (formerly Zodiak Media UK Limited)**

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

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**3. Directors' remuneration**

	2016 £000	2015 £000
Directors' emoluments	1,426	660
Company contributions to defined contribution pension schemes	6	27
	<u>1,432</u>	<u>687</u>

During the year the compensation for loss of office to directors was £1,020,000 (2015: £NIL).

During the year retirement benefits were accruing to 2 directors (2015 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £812,000 (2015 -£370,000).

The highest paid director received compensation for loss of office of £695,000 (2015: £NIL).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4,000 (2015 - £15,000).

Remuneration for two of the seven directors of the company are paid directly by the Company (2015 – two directors were paid from this company). The other directors are remunerated by other group companies. It is not practical to determine the proportion of their emoluments which relate to their services as Directors of this company.

**4. Employees**

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

	2016 £000	2015 £000
Wages and salaries	1,881	1,803
Social security costs	184	208
Cost of defined contribution scheme	43	63
	<u>2,108</u>	<u>2,074</u>

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

	2016 No.	2015 No.
Administration	<u>5</u>	<u>14</u>

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**Banijay UK Limited (formerly Zodiak Media UK Limited)**

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

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**5. Interest receivable**

	2016 £000	2015 £000
Other interest receivable	2	-
	<u>2</u>	<u>-</u>

**6. Interest payable and similar charges**

	2016 £000	2015 £000
On bank loans, overdrafts and other loans repayable within five years	-	1
Loans from group undertakings	475	815
	<u>475</u>	<u>816</u>

**7. Exceptional items**

	2016 £000	2015 £000
Redundancy costs	1,604	-
Costs associated with closure of division	21	-
	<u>1,625</u>	<u>-</u>

**8. Taxation**

	2016 £000	2015 £000
<b>Total current tax</b>	<u>-</u>	<u>-</u>
<b>Taxation on loss on ordinary activities</b>	<u>-</u>	<u>-</u>

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

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**8. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2015 -higher than) the standard rate of corporation tax in the UK of 20% (2015 -20.25%). The differences are explained below:

	2016 £000	2015 £000
Loss on ordinary activities before tax	(4,514)	(5,554)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 -20.25%)	(903)	(1,125)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	298	1,114
Income not taxable for tax purposes	-	(39)
Adjustments to brought forward values	35	3
Fixed asset differences	-	(1)
Deferred tax not recognised	55	(110)
Group relief	515	158
<b>Total tax charge for the year</b>	<b>-</b>	<b>-</b>

The company has unrecognised deferred tax asset of £182,828 (2015 - £129,740) in respect of fixed asset timing differences and unutilised tax losses. The directors have concluded that there is insufficient certainty of future taxable profits to allow this to be recognised.

**Factors that may affect future tax charges**

The UK corporation tax rate reduced to 20% from 1 April 2015. The UK corporation tax rate will fall to 19% with effect from 1 April 2017 and to 17% with effect from 1 April 2020 in accordance with legislation that was substantively enacted by 31 December 2016.

The reduction in corporation tax rates from 2017 to 2020 will have an impact on the recognition of deferred tax in the Company's accounts. Deferred tax should be recognised at the tax rate which has been enacted, or is substantively enacted, at the statement of the financial position date. Finance (No 2) Bill 2016 states that the corporation tax rate will reduce to 19% and further to 17% from 1 April 2020.

Therefore, rates of 19% and 17% should currently be used, depending on when the timing and temporary differences are expected to be reversed.

The unrecognised deferred tax assets within the Banijay group are calculated at a rate of 17%.

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**Banijay UK Limited (formerly Zodiak Media UK Limited)**

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

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**9. Tangible fixed assets**

	Office equipment £000
<b>Cost</b>	
At 1 January 2016	58
Disposals	(25)
	<hr/>
At 31 December 2016	33
	<hr/>
<b>Depreciation</b>	
At 1 January 2016	34
Charge	14
Disposals	(20)
	<hr/>
At 31 December 2016	28
	<hr/>
<b>Net book value</b>	
At 31 December 2016	5
	<hr/>
At 31 December 2015	24
	<hr/>

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**Banijay UK Limited (formerly Zodiak Media UK Limited)**

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

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**10. Fixed asset investments**

	Investments in subsidiary companies £000
<b>Cost</b>	
At 1 January 2016	73,091
At 31 December 2016	<u>73,091</u>
<b>Impairment</b>	
At 1 January 2016	42,193
Charge for the period	1,473
At 31 December 2016	<u>43,666</u>
<b>Net book value</b>	
At 31 December 2016	<u>29,425</u>
At 31 December 2015	<u>30,898</u>

Name	Country of incorporation	Class of share	Holding	Principal activities
Touchpaper Television Limited	England	Ordinary	100%	Television production
Banijay (Central) Limited	England	Ordinary	100%	Central services
Zodiak Americas	USA	Ordinary	100%	Television production
IWC Media Limited	Scotland	Ordinary	100%	Television production
Presentable Limited	England	Ordinary	100%	Television production
Zodiak Kids Studio UK Limited	England	Ordinary	100%	Television production
The Comedy Unit Limited	Scotland	Ordinary	100%	Television production
RDF Television Limited	England	Ordinary	100%	Television production
Bwark Productions Limited	England	Ordinary	100%	Television production
Television Productions Limited	England	Ordinary	100%	Television production
Dangerous Films Limited	England	Ordinary	70%	Television production
Zodiak Productions Limited	England	Ordinary	100%	Television production
Zodiak Media Ireland Limited	Ireland	Ordinary	100%	Television production
Mast Media Big Call	England	Ordinary	100%	Television production

Carrying values of investments are reviewed for impairment by projecting cash flows for 10 years after the balance sheet date based on financial forecasts approved by management. Projected cash flows are discounted to present value at a rate of 8.64%.

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**Banijay UK Limited (formerly Zodiac Media UK Limited)**

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

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**11. Debtors**

	2016 £000	2015 £000
Trade debtors	14	47
Amounts owed by group undertakings	975	434
Other debtors	37	14
Prepayments and accrued income	-	25
	<u>1,026</u>	<u>520</u>

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

	2016 £000	2015 £000
Bank overdraft	6,284	2,688
Trade creditors	-	23
Amounts owed to group undertakings	437	406
Amounts owed to other participating interests	-	899
Taxation and social security	57	409
Other creditors	10	-
Accruals	23	53
	<u>6,811</u>	<u>4,478</u>

**Secured loans**

The interest bearing bank overdraft for any individual entity is secured by offsetting the balance against other Banijay UK Group companies, with positive cash balances, which is in line with group cash pooling agreement.

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

	2016 £000	2015 £000
Amounts owed to group undertakings	7,122	5,927
	<u>7,122</u>	<u>5,927</u>

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**Banijay UK Limited (formerly Zodiac Media UK Limited)**

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

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**14. Financial instruments**

	2016 £000	2015 £000
Loans and receivables	1,026	492
	<u>1,026</u>	<u>492</u>
Creditors	(7,626)	(7,664)
Bank overdraft	(6,284)	(2,688)
	<u>(13,910)</u>	<u>(10,352)</u>

**Financial assets***Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision of impairment.

**Financial liabilities***Trade creditors*

Trade creditors are non-interest bearing and are normally settled on negotiated commercial terms depending on the nature of the creditor. Other creditors are non-interest bearing and have a payment term which is agreed with management.

*Bank overdraft*

The bank overdraft for any individual entity is secured by offsetting the balance against other Banijay UK Group companies, with positive cash balances, which is in line with group cash pooling agreement.

**15. Share capital**

	2016 £000	2015 £000
<b>Authorised, allotted, called up and fully paid</b>		
30,451,377 Ordinary shares of £1 each	<u>30,451</u>	<u>30,451</u>

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**Banijay UK Limited (formerly Zodiac Media UK Limited)**

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

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**16. Reserves****Share premium**

The reserve records the amount above the nominal value received for shares sold, less transaction costs.

**17. Contingent liabilities**

As at 31 December 2016, the company had entered with Zodiac Media Ltd and other UK Banijay Media Group companies into a new cash pooling arrangement with RBS, under which the company has issued an unlimited inter-company guarantee to the bank, as well as given the bank right of set-off against debit balances of other UK Banijay Media Group companies.

On the 23rd of February 2016 there was a merger between Banijay and Zodiac, the group has been refinanced by €275,000,000 as senior loan fully drawn on February 23rd 2016 and €25,000,000 RCF. The bank loan maturity date is on February 23rd, 2021.

There were no other contingent liabilities at 31 December 2016 or 31 December 2015.

**18. Pension commitments**

The company operates a defined contribution pension scheme.

The pension charge for the year represents contributions payable by the company scheme and amounted to £43,000 (2015 - £63,000). There are no unpaid contributions outstanding at the year end (2015 - £nil).

**19. Commitments under operating leases**

At 31 December 2016 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £000	2015 £000
Not later than 1 year	175	218
Later than 1 year and not later than 5 years	390	200
Later than 5 years	-	-
<b>Total</b>	<b>565</b>	<b>418</b>

**20. Related party transactions**

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.

There were no other related party transactions in the year.

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**Banijay UK Limited (formerly Zodiac Media UK Limited)**

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

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**21. Controlling party**

The company's immediate parent undertaking is Zodiac Media Limited.

The parent undertaking of the smallest and largest group which includes the Company and for which publicly available group financial statements are prepared is Zodiac Media Limited. Copies of these financial accounts can be obtained from Registrar of Companies (England and Wales), 4 Abbey Orchard St, Westminster, London SW1P 2HT.

At the date of the statement of financial position the ultimate parent undertaking and controlling party is Stéphane Courbit's LOV Group who owns 50.1% of the Banijay Group.