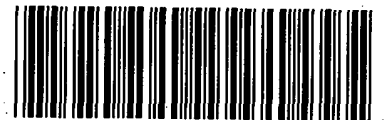


Registered number: 04789044

HAT TRICK HOLDINGS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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HAT TRICK HOLDINGS LIMITED

COMPANY INFORMATION

Directors	J Mulville M Redhead N Forster P Mckenna P Cohen A Dugdale K Wilson
Registered number	04789044
Registered office	Hanover House 14 Hanover Square London W1S 1HP
Trading Address	33 Oval Road London NW1 7EA
Independent auditors	Sopher + Co LLP Chartered Accountants & Statutory Auditors 5 Elstree Gate Elstree Way Borehamwood Hertfordshire WD6 1JD
Bankers	Coutts 440 Strand London WC2R 0QS
Solicitors	Harbottle & Lewis LLP Hanover House 14 Hanover Square London W1S 1HP

HAT TRICK HOLDINGS LIMITED

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HAT TRICK HOLDINGS LIMITED

BUSINESS HIGHLIGHTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Hat Trick group would like to highlight the following achievements:

- Adjusted Profit after Tax of £1.9m
- Hat Trick sets up a joint venture with Jed Mercurio, the award winning creator of BBC hit Line of Duty
- Have I Got News For You has now been on air for over twenty five years, with the 50th series shown in 2015, with a new multi-year deal starting in 2016
- Two new dramas produced for ITV, Dr Thorne written by Julian Fellowes and The Secret starring James Nesbitt
- Whose Line is it Anyway? now in its fourth series on the US channel The CW
- Dinner Date and Room 101 both aired their fifth series, with their sixth series commissioned for 2016
- The fifth series of Episodes currently being produced
- Hat Trick invests in Emma Read's new independent production company, Emporium Productions Limited

HAT TRICK HOLDINGS LIMITED

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

Introduction

The directors present their Strategic Report for the year ended 31 December 2015.

Business review

With a library of long-running, award-winning television programming, we are an industry-leading content creator and rights owner. Our goal remains simple; to make highly successful programmes for profit. We do this in two ways. We develop, create and exploit content in the areas of Comedy, Drama and Entertainment. We also use our substantial creative and business support experience to take investments in early-stage content creation companies with a view to helping them reach their full potential more quickly than they otherwise might be able to.

Hat Trick produced programmes for BBC1, BBC2, ITV1, ITVBe, C4 and US channels Showtime and The CW in 2015.

Have I Got News For You continues to perform. The 49th and 50th series were produced in 2015, with twenty more episodes commissioned for 2016.

A number of our shows have been recommissioned, including sixth series of Room 101 & Dinner Date and the fifth series of Episodes.

Whose Line is it Anyway? is now in its fourth series on The CW.

Andy Hamilton and Guy Jenkin wrote, produced and directed Ballot Monkeys, with the follow up Power Monkeys airing during the EU referendum

Dr Thorne, adapted by Julian Fellowes, was produced in 2015 and aired in 2016, along with the critically acclaimed The Secret starring James Nesbitt.

Rights exploitation

We continue to exploit the majority of our extensive programming catalogue in-house through Hat Trick International (HTI). HTI continues to benefit from Hat Trick's strong production pipeline, including the two drama's produced in 2015, as well as through its relationships with other production companies.

Principal risks and uncertainties

Foreign exchange risk

The company operates primarily within the UK and so has limited exposure to foreign exchange movements. However, any material exposure is hedged on a case by case basis.

Credit risk

A large percentage of the Company's programming is conducted with the BBC and other established broadcasters. Therefore, the company does not have a significant exposure to credit defaults.

Liquidity risk

The company has sufficient cash reserves to cover the day to day working capital requirements. The working capital of the business is closely monitored to ensure these commitments are met.

HAT TRICK HOLDINGS LIMITED

**GROUP STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015**

Financial key performance indicators

Hat Trick uses Adjusted Profit after Tax (profit after tax, excluding amortisation & share options charge) as its key performance indicator.

Adjusted profit after tax was £1.9m in the period, £1.0m lower than the previous year, due to recognising an advance in 2014 against rights income.

Other key performance indicators

We consider the number of series in production and delivered in the year to be Hat Trick's main non-financial key performance indicators.

There were thirteen series in production in 2015, with eleven series delivered to broadcasters.

This report was approved by the board on 1 September 2016 and signed on its behalf.



P Cohen
Director

HAT TRICK HOLDINGS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

Directors

The directors who served during the year were:

J Mulville
M Redhead
N Forster
P McKenna
P Cohen
A Dugdale
K Wilson

Results and dividends

The profit for the year, after taxation, amounted to £1,604,405 (2014 - £2,534,650).

The directors have paid a dividend of £750,036 (2014 - £2,499,505). The directors do not recommend the payment of a final dividend.

Future developments

Hat Trick continued its long history of investing in creative talent, by setting up HTM Television Limited with Jed Mercurio (writer of Line of Duty, Bodies & Critical) in 2016.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the group financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

HAT TRICK HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015**

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

Post balance sheet events

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

Auditors

Under section 487(2) of the Companies Act 2006, Sopher + Co LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 1 September 2016 and signed on its behalf.



P Cohen
Director

HAT TRICK HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HAT TRICK HOLDINGS LIMITED

We have audited the financial statements of Hat Trick Holdings Limited for the year ended 31 December 2015, set out on pages 8 to 34. 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 group's and the parent 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 Group 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 group's and the parent company's affairs as at 31 December 2015 and of the group's profit or loss 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with those accounts. In the light of our knowledge and understanding of the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors Report.

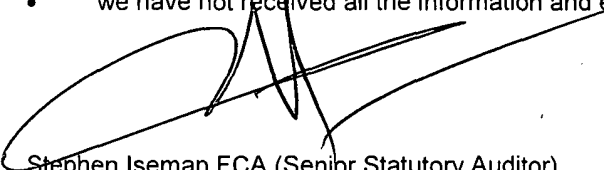
HAT TRICK HOLDINGS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HAT TRICK HOLDINGS LIMITED
(CONTINUED)**

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Stephen Iseman FCA (Senior Statutory Auditor)

for and on behalf of
Sopher + Co LLP

Chartered Accountants
Statutory Auditors

5 Elstree Gate
Elstree Way
Borehamwood
Hertfordshire
WD6 1JD

1 September 2016

HAT TRICK HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £	2014 £
Turnover	4	30,291,009	47,464,933
Cost of sales		(22,998,525)	(41,451,319)
Gross profit		7,292,484	6,013,614
Administrative expenses		(8,187,030)	(8,369,166)
Other operating income	5	729,094	670,302
Operating loss	6	(165,452)	(1,685,250)
Share of profit of associates		198,298	149,314
Total operating profit/(loss)		32,846	(1,535,936)
Interest receivable and similar income	9	1,756	3,264
Interest payable and expenses	10	(17,576)	(26,767)
Profit/(loss) before taxation		17,026	(1,559,439)
Tax on profit/(loss)	11	1,587,379	4,094,089
Profit for the year		1,604,405	2,534,650
Foreign exchange reserve movement		3,704	1,679
Share option reserve movement		254,782	346,593
Other comprehensive income for the year		258,486	348,272
Total comprehensive income for the year		1,862,891	2,882,922


The notes on pages 14 to 34 form part of these financial statements.

HAT TRICK HOLDINGS LIMITED
REGISTERED NUMBER:04789044

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Intangible fixed assets			384,163		34,153
Tangible assets	15		716,816		876,704
Investments	16		2		2
			<u>1,100,981</u>		<u>910,859</u>
Current assets					
Stocks	17	142,166		519	
Debtors: amounts falling due within one year	18	11,998,635		8,368,238	
Cash at bank and in hand		<u>2,055,398</u>		<u>2,288,554</u>	
		14,196,199		10,657,311	
Creditors: amounts falling due within one year	19	<u>(10,655,032)</u>		<u>(8,047,188)</u>	
Net current assets			<u>3,541,167</u>		<u>2,610,123</u>
Total assets less current liabilities			<u>4,642,148</u>		<u>3,520,982</u>
Creditors: amounts falling due after more than one year	20		<u>(456,343)</u>		<u>(448,032)</u>
Provisions for liabilities					
Net assets			<u><u>4,185,805</u></u>		<u><u>3,072,950</u></u>
Capital and reserves					
Called up share capital	26		61,428		61,428
Share premium account	27		2,110,534		2,110,534
Capital redemption reserve	27		50,260		50,260
Other reserves	27		1,439,169		1,184,387
Profit and loss account	27		524,414		(333,659)
Equity attributable to owners of the parent Company			<u><u>4,185,805</u></u>		<u><u>3,072,950</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 1 September 2016.



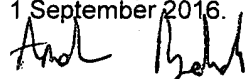
A Dugdale
Director

The notes on pages 14 to 34 form part of these financial statements.

HAT TRICK HOLDINGS LIMITED
REGISTERED NUMBER:04789044
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Investments	16		19,935,469		19,935,469
Current assets					
Cash at bank and in hand		43		43	
Creditors: amounts falling due within one year	19	(1,117,661)		(362,566)	
Net current liabilities			(1,117,618)		(362,523)
Total assets less current liabilities			18,817,851		19,572,946
Net assets			<u>18,817,851</u>		<u>19,572,946</u>
Capital and reserves					
Called up share capital	26		61,428		61,428
Share premium account	27		2,110,534		2,110,534
Capital redemption reserve	27		50,260		50,260
Profit and loss account	27		16,595,629		17,350,724
			<u>18,817,851</u>		<u>19,572,946</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 1 September 2016.



A Dugdale
Director

HAT TRICK HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up share capital	Share premium account	Capital redemption reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 January 2015	61,428	2,110,534	50,260	1,184,387	(333,659)	3,072,950
Profit for the year	-	-	-	-	1,604,405	1,604,405
Foreign exchange reserve movement	-	-	-	-	3,704	3,704
Share option reserve movement	-	-	-	254,782	-	254,782
Dividends: Equity capital	-	-	-	-	(750,036)	(750,036)
At 31 December 2015	61,428	2,110,534	50,260	1,439,169	524,414	4,185,805

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Called up share capital	Share premium account	Capital redemption reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 January 2014	61,428	2,110,534	50,260	837,794	(370,484)	2,689,532
Profit for the year	-	-	-	-	2,534,650	2,534,650
Foreign exchange reserve movement	-	-	-	-	1,680	1,680
Share option reserve movement	-	-	-	346,593	-	346,593
Dividends: Equity capital	-	-	-	-	(2,499,505)	(2,499,505)
At 31 December 2014	61,428	2,110,534	50,260	1,184,387	(333,659)	3,072,950

The notes on pages 14 to 34 form part of these financial statements.

HAT TRICK HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2015	61,428	2,110,534	50,260	17,350,724	19,572,946
Loss for the year	-	-	-	(5,059)	(5,059)
Dividends: Equity capital	-	-	-	(750,036)	(750,036)
At 31 December 2015	61,428	2,110,534	50,260	16,595,629	18,817,851

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2014	61,428	2,110,534	50,260	17,355,703	19,577,925
Profit for the year	-	-	-	2,494,526	2,494,526
Dividends: Equity capital	-	-	-	(2,499,505)	(2,499,505)
At 31 December 2014	61,428	2,110,534	50,260	17,350,724	19,572,946

The notes on pages 14 to 34 form part of these financial statements.

HAT TRICK HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015 £	2014 £
Cash flows from operating activities		
Profit for the financial year	1,604,405	2,534,650
Adjustments for:		
Amortisation of intangible assets	52,690	12,420
Depreciation of tangible assets	252,504	261,157
Loss on disposal of tangible assets	2,810	2,322
Interest paid	17,576	26,766
Interest received	(1,756)	(3,264)
Taxation	688,336	(438,857)
(Increase)/decrease in stocks	(141,647)	144,434
Increase in debtors	(4,554,472)	(858,313)
Decrease in creditors	(1,778,050)	(2,014,241)
Share of profits of participating interests net of tax	198,298	124,978
Exchange differences on reconversion of foreign subsidiaries	3,704	1,680
Share option charge	254,782	346,593
Net cash generated from operating activities	<u>(3,400,820)</u>	<u>140,325</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(108,538)	(285,672)
Sale of tangible fixed assets	13,114	(23,602)
Interest received	1,756	3,264
HP interest paid	(5,777)	(4,820)
(Purchase)/Sale of intangible assets	(402,700)	87,488
Net cash from investing activities	<u>(502,145)</u>	<u>(223,342)</u>
Cash flows from financing activities		
New secured loans	4,380,983	-
Repayment of/New finance leases	38,145	(955)
Dividends paid	(750,036)	(2,499,505)
Interest paid	(11,799)	(21,946)
Net cash used in financing activities	<u>3,657,293</u>	<u>(2,522,406)</u>
Cash and cash equivalents at beginning of year	<u>2,286,633</u>	<u>4,892,056</u>
Cash and cash equivalents at the end of year	<u><u>2,040,961</u></u>	<u><u>2,286,633</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,052,959	2,288,554
Bank overdrafts	(11,998)	(1,921)
	<u><u>2,040,961</u></u>	<u><u>2,286,633</u></u>

HAT TRICK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. General information

The group is an industry leading content creator and rights owner with a library of long running award winning television programmes.

The company is incorporated in England and Wales and its registered office is Hanover House, 14 Hanover Square, London, W1S 1HP.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 31.

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 company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of Group and its own subsidiaries ("the Group") as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

2.3 Participating interests

An entity is treated as a joint venture where the group is a party to a contractual agreement with one or more parties from outside the group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Statement of Comprehensive Income includes the group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the group. In the Consolidated Statement of Financial Position, the interests in associated undertakings are shown as the group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

HAT TRICK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group 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:

Turnover comprises production fees and amounts receivable for the exploitation of rights and royalties net of VAT.

Production turnover and gross profit are recognised over the period of production on a stage of completion and straight line basis respectively.

Fees in respect of services provided are recognised over the period of the service agreement on a stage of completion basis.

Sums receivable from distribution by related parties are recognised when receivable. Where third party distributors are used, turnover is recognised on a receivable basis in accordance with distribution statements, unless an advance is received, in which case turnover is then recognised on the later of the license period start date or completion of all deliverables.

Royalties receivable are accounted for on a royalty earnings basis as part of turnover. Non-returnable, recoupable advances are accounted for on a completion of delivery requirements.

2.5 Intangible assets

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life of 10 years.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The estimated useful lives range as follows:

Short-term leasehold property	- over the period of the lease
Plant and machinery	- 25% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 25% straight line

HAT TRICK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

2. Accounting policies (continued)

2.7 Operating leases: the group as lessee

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

The group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2014 to continue to be charged over the period to the first market rent review rather than the term of the lease.

Benefits received as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Participating interests

The group's share of profits less losses of associated undertakings is included in the Consolidated Statement of Comprehensive Income and the group's share of their net assets is included in the Consolidated Statement of Financial Position. These amounts are taken from the latest financial statements of the undertakings concerned and unaudited management information for the remaining months to 31 December 2015. Joint ventures are accounted for using the gross equity method.

Other investments

Investments held as fixed assets are shown at cost less any provision for impairment.

2.9 Work in progress

Project development costs, carried forward under work in progress, represent costs incurred on projects in development and are stated at the lower of cost and estimated net realisable value.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.11 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.

2.12 Employee share ownership plan

The company issues equity-settled share-based payments to certain employees. These share options are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of the grant. The fair value of the share options issued is expensed on a straight line basis over the period to when management estimates the options will be exercised as adjusted for known vesting conditions.

Fair value is measured by use of the Black-Scholes pricing model. The principal assumptions made in the model are described in note 28.

HAT TRICK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

2. Accounting policies (continued)

2.13 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, 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 payables or receivables, 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 Income Statement.

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.

2.14 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.

HAT TRICK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

2. Accounting policies (continued)

2.15 Foreign currency translation

Functional and presentation currency

The group'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.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised under other comprehensive income.

2.16 Pensions

Defined contribution pension plan

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 payments 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.

2.17 Interest income

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

2.18 Borrowing costs

All borrowing costs are recognised in the Income Statement in the year in which they are incurred.

HAT TRICK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

2. Accounting policies (continued)

2.19 Provisions for liabilities

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

Provisions are charged as an expense to the Income Statement in the year that the group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

2.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a change attributable to an item of income and expense recognised as Other Comprehensive Income or to an item recognised directly in equity is also recognised under 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 tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

HAT TRICK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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

In preparing these financial statements, the directors have made the following judgements:

a) Determine whether leases entered into by the company as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

b) Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

c) Determine at the year end the fair value of share options granted. The shares of the company are not actively traded in a market and therefore directors use their judgement to ensure they adopt the most appropriate valuation method to determine fair value. Vesting conditions are taken into account when estimating the fair value of the share options.

In preparing these financial statements, the directors have considered the following key sources of estimation uncertainty:

Tangible and intangible assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and estimated disposal values.

4. Turnover

Analysis of turnover by country of destination:

	2015 £	2014 £
United Kingdom	22,814,985	35,226,076
Rest of Europe	1,443,261	1,578,622
Rest of the world	6,032,763	10,660,235
	<u>30,291,009</u>	<u>47,464,933</u>

5. Other operating income

	2015 £	2014 £
Other operating income	<u>729,094</u>	<u>670,302</u>

HAT TRICK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

6. Operating loss

The operating loss is stated after charging:

	2015	2014
	£	£
Depreciation of tangible fixed assets	252,504	259,756
Amortisation of intangible assets, including goodwill	52,690	12,419
Fees payable to the group's auditor for the audit of the company's annual financial statements	49,527	47,979
Exchange differences	32,058	2,889
Other operating lease rentals	560,669	559,000
Defined contribution pension cost	199,900	197,698
	<u>1,147,148</u>	<u>1,189,731</u>

7. Auditors' remuneration

	2015	2014
	£	£
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	5,000	5,000
Fees payable to the group's auditor in respect of:		
The auditing of accounts of the group pursuant to legislation	33,000	33,000
Tax compliance services	16,527	14,979
	<u>49,527</u>	<u>47,979</u>

8. Employees

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

	2015	2014
	£	£
Wages and salaries	4,626,245	4,700,722
Social security costs	553,787	536,897
Cost of defined contribution scheme	199,900	197,698
	<u>5,379,932</u>	<u>5,435,317</u>

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

	2015	2014
	No.	No.
Management	7	7
Administration	36	37
Production, development and writing	31	29
	<u>74</u>	<u>73</u>

HAT TRICK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

9. Interest receivable

	2015 £	2014 £
Other interest receivable	1,756	3,264

10. Interest payable and similar charges

	2015 £	2014 £
Bank interest payable	11,299	21,735
Finance leases and hire purchase contracts	5,777	4,820
Other interest payable	500	212
	17,576	26,767

11. Taxation

	2015 £	2014 £
Corporation tax		
Current tax on profits for the year	(1,808,673)	(4,188,488)
Adjustments in respect of previous periods	152,845	2,180
	(1,655,828)	(4,186,308)
Share of tax of associates	35,618	35,644
	(1,620,210)	(4,150,664)
Foreign tax		
Foreign tax on income for the year	88,539	105,455
Total current tax	(1,531,671)	(4,045,209)
Deferred tax		
Origination and reversal of timing differences	(55,708)	(48,880)
Taxation on loss on ordinary activities	(1,587,379)	(4,094,089)

HAT TRICK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	17,026	(1,559,439)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%)	3,448	(335,123)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	11,107	2,669
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	38,760	28,234
Capital allowances for year in excess of depreciation	12,686	(17,995)
Adjustments to tax charge in respect of prior periods	152,845	2,180
Foreign tax and small company rate relief	-	(502)
Foreign tax charge	88,539	105,455
High-end Television Tax Relief	(1,825,356)	(4,280,020)
Tax relief from enhanced tax credits	(151,434)	(219,327)
Non-tax deductible charge for employee options	51,593	74,517
Unrelieved tax losses carried forward	339,333	593,841
Group relief	(252,696)	-
Deferred tax	(55,708)	(48,880)
Other adjustments	(496)	862
Total tax charge for the year	(1,587,379)	(4,094,089)

Factors that may affect future tax charges

The UK corporation tax credit arises as a result of a claim for High-End Television Tax Relief.

12. Dividends

	2015 £	2014 £
Dividends paid on equity shares	750,036	2,499,505

13. Intangible assets

HAT TRICK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Group and Company

	Goodwill
	£
Cost	
At 1 January 2015	22,708,166
Additions	402,700
At 31 December 2015	<u>23,110,866</u>
Amortisation	
At 1 January 2015	22,674,013
Charge for the year	52,690
At 31 December 2015	<u>22,726,703</u>
Net book value	
At 31 December 2015	<u>384,163</u>
At 31 December 2014	<u>34,153</u>

14. 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 loss after tax of the parent company for the year was £5,059 (2014 - profit £2,494,526).

HAT TRICK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

15. Tangible fixed assets

Group

	Short-term leasehold property	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
	£	£	£	£	£
Cost					
At 1 January 2015	820,470	3,219,966	83,244	28,611	4,152,291
Additions	21,685	86,853	-	-	108,538
Transfers intra group	-	14,274	-	-	14,274
Disposals	-	(44,890)	-	(14,337)	(59,227)
Transfers between classes	-	-	-	(14,274)	(14,274)
At 31 December 2015	<u>842,155</u>	<u>3,276,203</u>	<u>83,244</u>	<u>-</u>	<u>4,201,602</u>
Depreciation					
At 1 January 2015	500,597	2,750,343	19,077	5,570	3,275,587
Charge owned for the period	32,112	191,344	20,810	4,372	248,638
Charge financed for the period	-	3,866	-	-	3,866
Transfers intra group	-	4,385	-	-	4,385
Disposals	-	(37,746)	-	(5,557)	(43,303)
Transfers between classes	-	-	-	(4,385)	(4,385)
At 31 December 2015	<u>532,709</u>	<u>2,912,192</u>	<u>39,887</u>	<u>-</u>	<u>3,484,788</u>
Net book value					
At 31 December 2015	<u>309,446</u>	<u>364,011</u>	<u>43,357</u>	<u>-</u>	<u>716,814</u>
At 31 December 2014	<u>319,873</u>	<u>469,623</u>	<u>64,167</u>	<u>23,041</u>	<u>876,704</u>

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

	2015	2014
	£	£
Furniture, fittings and equipment	<u>57,988</u>	<u>18,065</u>

HAT TRICK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

16. Fixed asset investments

Group

	Investments in associates £	Other fixed asset investments £	Total £
Cost			
At 1 January 2015	2	25,000	25,002
At 31 December 2015	2	25,000	25,002
Impairment			
At 1 January 2015	-	25,000	25,000
At 31 December 2015	-	25,000	25,000
Net book value			
At 31 December 2015	2	-	2
At 31 December 2014	2	-	2

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Hat Trick Productions Limited	England and Wales	Ordinary	100 %	Creation of content for broadcast media
Hat Trick International Limited	England and Wales	Ordinary	100 %	Distribution of content
Hat Trick Television Limited	England and Wales	Ordinary	100 %	Creation of content for broadcast media
TWC (UK) Limited	England and Wales	Ordinary	100 %	Writers' agency
Hat Trick (Critical) Limited	England and Wales	Ordinary	100 %	Creation of content for broadcast media
Hat Trick (Trollope) Limited	England and Wales	Ordinary	100 %	Creation of content for broadcast media
Hat Trick (LTBOS) Limited	England and Wales	Ordinary	100 %	Creation of content for broadcast media
Hat Trick Holdings Inc	USA	Ordinary	100 %	Creation of content for broadcast media
Hat Trick Entertainment Inc	USA	Ordinary	100 %	Creation of content for broadcast media
Hat Trick East Inc	USA	Ordinary	100 %	Creation of content for broadcast media

HAT TRICK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

16. Fixed asset investments (continued)

Participating interests

Associates

Name	Country of incorporation	Class of shares	Holding	Principal activity
Plum Picture Limited	England and Wales	Ordinary	25%	Creation of content for broadcast media
Toff Media Limited	England and Wales	Ordinary	50%	Creation of content for broadcast media
Emporium Productions Limited	England and Wales	Ordinary	49%	Creation of content for broadcast media

Company

	Investments in subsidiary companies £
Cost	
At 1 January 2015	19,935,469
At 31 December 2015	<u>19,935,469</u>
Net book value	
At 31 December 2015	<u>19,935,469</u>
At 31 December 2014	<u>19,935,469</u>

17. Work in progress

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Work in progress	<u>142,166</u>	<u>519</u>	<u>-</u>	<u>-</u>

HAT TRICK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

18. Debtors

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Trade debtors	2,292,547	1,900,012	-	-
Other debtors	809,813	359,106	-	-
Prepayments and accrued income	7,130,736	3,419,506	-	-
Tax recoverable	1,438,706	2,418,489	-	-
Deferred taxation	326,833	271,125	-	-
	<u>11,998,635</u>	<u>8,368,238</u>	<u>-</u>	<u>-</u>

19. Creditors: Amounts falling due within one year

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Bank overdrafts	11,998	1,921	-	-
Bank loans	4,380,983	-	-	-
Trade creditors	374,088	632,514	-	-
Amounts owed to group undertakings	-	-	1,112,661	357,566
Corporation tax	6,730	6,730	-	-
Taxation and social security	335,407	593,347	-	-
Obligations under finance lease and hire purchase contracts	11,474	16,640	-	-
Other creditors	178,868	391,845	-	-
Accruals and deferred income	5,355,484	6,404,191	5,000	5,000
	<u>10,655,032</u>	<u>8,047,188</u>	<u>1,117,661</u>	<u>362,566</u>

The short term bank loan is secured by a fixed and floating charge over certain specific assets.

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

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

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Net obligations under finance leases and hire purchase contracts	48,010	4,699	-	-
Accruals	408,333	443,333	-	-
	<u>456,343</u>	<u>448,032</u>	<u>-</u>	<u>-</u>

HAT TRICK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

21. Deferred taxation

Group

	2015	2014
	£	£
At beginning of year	271,125	222,245
Charged to the profit or loss	55,708	48,880
At end of year	326,833	271,125

	Group 2015	Group 2014
	£	£
Decelerated capital allowances	39,000	34,248
Share option reserves	287,833	236,877

22. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £199,899 (2014 - £224,538). Contributions totalling £8,606 (2014 - £4,860) were payable to the fund at the balance sheet date and are included in creditors.

23. Commitments under operating leases

At 31 December 2015 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2015	Group 2014	Company 2015	Company 2014
	£	£	£	£
Not later than 1 year	594,000	594,000	-	-
Later than 1 year and not later than 5 years	2,376,000	2,376,000	-	-
Later than 5 years	7,722,000	7,722,000	-	-
	10,692,000	10,692,000	-	-

HAT TRICK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

24. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Within one year	11,474	16,640	-	-
Between 1-2 years	14,655	4,699	-	-
Between 2-5 years	33,355	-	-	-
	<u>59,484</u>	<u>21,339</u>	<u>-</u>	<u>-</u>

25. Financial instruments

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Financial assets				
Financial assets measured at amortised cost	<u>8,210,658</u>	<u>3,836,332</u>	<u>-</u>	<u>-</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(7,034,870)</u>	<u>(3,380,636)</u>	<u>(1,117,661)</u>	<u>(362,566)</u>

Financial assets measured at amortised cost comprise of trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors, accruals and amounts owed to group undertakings.

26. Share capital

	2015 £	2014 £
Shares classified as equity		
Allotted, called up and fully paid		
61,428 Ordinary shares of £1 each	<u>61,428</u>	<u>61,428</u>

HAT TRICK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

27. Reserves

Share premium

This reserve represents the amount above the nominal value received for issued share capital, less transaction costs.

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the group.

Other reserves

This reserve records all changes in relation to the enterprise management share option scheme implemented by the group.

Profit and loss account

This is a cumulative balance of retained profits and losses to the balance sheet date.

28. Share based payments

Equity-settled share option scheme

The company has implemented two enterprise management incentive share option schemes, one on the 30th November 2006 and the other on 25th January 2011. All share options granted after 25th January 2011, which includes all the options granted in 2011, will be under the new scheme.

Share options granted under these schemes are only exercisable on or after the earlier of an exit event and any date(s) as specified in the option agreement. Under both scheme rules, an exit event is defined as the earlier of a share sale, a listing or a trade sale.

At 31 December 2015, 13,717 (2014 - 13,717) options were outstanding. If the options remain unexercised after a period of 10 years they expire. Options are forfeited if the employee leaves the group before they have been exercised.

The weighted average remaining contractual life of the share options outstanding at the end of the period was 3 years.

The aggregate of the estimated fair value of the share options granted is £1,433,277, resulting in a charge of £254,782 (2014 - £346,092) in the profit and loss account.

This is based on the Black – Scholes model using the following assumptions:

Weighted average share price at grant	£97.28
Weighted average exercise price	£ 1.00
Expected volatility	93%
Risk-free rate	2.13%

HAT TRICK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

29. Related party transactions

During the year, the group entered into transactions on an arms length basis, in the ordinary course of the business, and had balances at the year end with the following parties.

	Year ended 31 Dec 2015	Year ended 31 Dec 2015	Year ended 31 Dec 2014	Year ended 31 Dec 2014
	Sales	Debtor	Sales	Debtor
	£	£	£	£
Plum Pictures Limited	1,688,111	338,673	1,385,556	324,036
Toff Media Limited	99,516	74,688	1,632	452
Emporium Productions Limited	103,233	29,027	-	-
	<u>1,890,860</u>	<u>442,388</u>	<u>1,387,188</u>	<u>324,488</u>

During the year, format fees and royalties of £34,754 (2014 - £24,466) were paid to J Mulville, a director of the company.

During the year the group paid dividends of £382,515 (2014 - £1,274,736) to J Mulville, a director of the company. At the balance sheet date the company was owed £4,427 (2014 - £4,217) by J Mulville included in other debtors.

During the year the group paid dividends amounting to £75,006 (2014 - £249,959) to P McKenna, a director of the company.

The company has taken advantage of not disclosing transactions with wholly owned subsidiaries as permitted under FRS 102 s33.1A.

30. Ultimate controlling party

The directors regard J Mulville, a director of the company, as the ultimate controlling party.

HAT TRICK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

31. First time adoption of FRS 102

Group

	Note	As previously stated 1 January 2014 £	Effect of transition 1 January 2014 £	FRS 102 (as restated) 1 January 2014 £	As previously stated 31 December 2014 £	Effect of transition 31 December 2014 £	FRS 102 (as restated) 31 December 2014 £
Fixed assets	1	10,020,948	(9,097,669)	923,279	9,026,447	(8,115,588)	910,859
Current assets	1	12,330,597	167,558	12,498,155	10,420,434	236,877	10,657,311
Creditors: amounts falling due within one year		(10,100,794)	-	(10,100,794)	(8,047,186)	-	(8,047,186)
Net current assets		2,229,803	167,558	2,397,361	2,373,248	236,877	2,610,125
Total assets less current liabilities		12,250,751	(8,930,111)	3,320,640	11,399,695	(7,878,711)	3,520,984
Creditors: amounts falling due after more than one year		(488,554)	-	(488,554)	(448,032)	-	(448,032)
Net assets		11,762,197	(8,930,111)	2,832,086	10,951,663	(7,878,711)	3,072,952
Capital and reserves		11,566,643	(8,734,557)	2,832,086	10,951,662	(7,878,710)	3,072,952

HAT TRICK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

31. First time adoption of FRS 102 (continued)

		As previously stated 31 December 2014 £	Effect of transition 31 December 2014 £	FRS 102 (as restated) 31 December 2014 £
	Note			
Turnover		47,464,933	-	47,464,933
Cost of sales		(41,451,319)	-	(41,451,319)
		6,013,614	-	6,013,614
Administrative expenses	1	(9,298,246)	929,080	(8,369,166)
Other operating income		819,616	-	819,616
Operating profit		(2,465,016)	929,080	(1,535,936)
Interest receivable and similar income		3,264	-	3,264
Interest payable and similar charges		(26,767)	-	(26,767)
Taxation	1	4,024,770	69,319	4,094,089
Profit on ordinary activities after taxation and for the financial year		<u>1,536,251</u>	<u>998,399</u>	<u>2,534,650</u>

Explanation of changes to previously reported profit and equity:

1 a) The group has revised its accounting policy for the amortisation of goodwill to meet the requirements of FRS 102, which restrict the reliable useful life of goodwill to 10 years in the absence of a reliable basis for estimating useful life and cumulative amortisation of goodwill to 31 December 2013 has been revised accordingly.

b) The group was not previously required to recognise deferred taxation in respect of the share option charge in relation to Equity-settled share option scheme. FRS 102 requires full provision of deferred taxation in respect of options granted to employees and consequently a deferred tax asset of £167,559 has been recognised at 1 January 2014 and £69,319 has been recognised at 31 December 2014.

Company

There were no changes arising at company level on adoption of FRS 102.