

Company registration number: 05674906

Mammoth Productions Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2020



Mammoth Productions Limited

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Mammoth Productions Limited

Company Information

Directors	K J Trehy T Hammond D J Blaikley
Registered office	Warner House 98 Theobald's Road London WC1X 8WB
Auditor	Shipleys LLP 10 Orange Street London WC2H 7DQ
Banker	Barclays Bank PLC 8/9 Hanover Square London W1A 4ZW

Mammoth Productions Limited

Directors' Report for the Year Ended 31 December 2020

The directors present their annual report on the affairs of Mammoth Productions Limited ("the company") together with the financial statements for the year ended 31 December 2020.

Results and dividends

Profit for the year after taxation amounted to £16,000 (2019 - £17,000).

No dividends were paid during the year (2019 - £nil).

Principal activity

The principal activity of the company is film production and it receives film production fees and profit participations from the exploitation of films.

Going Concern

The directors have considered the impact of COVID-19 on future trading and are confident that the impact of COVID-19 will not lead to the company no longer being a going concern. The company has no active productions, with trade only arising from completed productions, and it has access to sufficient committed funding to be able to meet its liabilities as they fall due in the period under review. The directors of the company are confident that they will be able to continue to trade for at least 12 months from the signing of the financial statements regardless of the impact of COVID-19.

Directors of the company

Except as noted below, the following were directors of the company who served throughout the year and were still directors at the date of this report:

T H Creighton (resigned 17 February 2021)

K J Trehy

D J Blaikley

The following director was appointed after the year end:

T Hammond (appointed 19 February 2021)

The Articles of Association do not require directors to retire either by rotation or in the year of appointment.

Directors qualifying third party indemnity provisions

The company may indemnify one or more directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006 and the company may purchase insurance for this purpose. AT&T Inc. has purchased a directors and officers liability insurance policy for the benefit of the company and its directors and such policy was in force during the year and is in force as at the date of approving the Directors' Report.

Mammoth Productions Limited

Directors' Report for the Year Ended 31 December 2020 (continued)

Disclosure of information to the auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/ she ought to have taken as a director in order to make himself/ herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.


Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Shipleys LLP will continue in office.

Small companies' exemption

In preparing the Directors' Report, the directors have taken advantage of the small companies' exemption under section 415(A) of the Companies Act 2006. The directors have also taken the exemption under section 414(B) not to prepare a Strategic Report.

On behalf of the Board


Tina Hammond (Sep 23, 2021 14:30 GMT+1)
T Hammond
Director

Date: Sep 23, 2021

Mammoth Productions Limited

Statement of Directors' Responsibilities

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

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

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.

Mammoth Productions Limited

Independent Auditor's Report to the Members of Mammoth Productions Limited

Opinion

We have audited the financial statements of Mammoth Productions Limited (the 'company') for the year ended 31 December 2020, which comprise the Statement of Income and Retained Earnings, Statement of Financial Position, and notes 1 to 10, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Mammoth Productions Limited

Independent Auditor's Report to the Members of Mammoth Productions Limited (continued)

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

Mammoth Productions Limited

Independent Auditor's Report to the Members of Mammoth Productions Limited (continued)

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the Company's business, controls, legal and regulatory frameworks, laws and regulations and assessed the susceptibility of the Company's financial statements to material misstatement from irregularities, including fraud, are instances of non-compliance with laws and regulations.
- Based on this understanding we designed our audit procedures to detecting irregularities, including fraud. Testing undertaken included making enquiries on the management; journal entry testing; review of contracts and statements; review of bank statements and letters and any correspondence received from regulatory bodies; reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

Mammoth Productions Limited

Independent Auditor's Report to the Members of Mammoth Productions Limited (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Stewart Jell

Stewart Jell (Sep 24, 2021 13:41 GMT+1)

Stewart Jell (Senior Statutory Auditor)
For and on behalf of Shipleys LLP, Statutory Auditor
10 Orange Street
Haymarket
London
WC2H 7DQ

Date: Sep 24, 2021

Mammoth Productions Limited

Statement of Income and Retained Earnings for the Year Ended 31 December 2020

	Note	Year ended 31 December 2020 £ 000	Year ended 31 December 2019 £ 000
Turnover		987	1,123
Cost of sales		<u>(1,020)</u>	<u>(1,165)</u>
Gross loss		(33)	(42)
Administrative expenses		<u>(6)</u>	<u>(5)</u>
Operating Loss	2	(39)	(47)
Interest receivable	4	<u>1</u>	<u>1</u>
Loss on ordinary activities before taxation		(38)	(46)
Taxation on loss on ordinary activities	5	<u>54</u>	<u>63</u>
Profit for the financial year		16	17
Retained earnings at 1 January		<u>139</u>	<u>122</u>
Retained earnings at 31 December		<u><u>155</u></u>	<u><u>139</u></u>

All amounts relate to continuing operations.

There is no difference between profit for the financial year and total comprehensive income for the year, and accordingly no separate statement of comprehensive income has been presented.


The notes on pages 11 to 14 form an integral part of these financial statements.

Mammoth Productions Limited

Statement of Financial Position as at 31 December 2020

	Note	31 December 2020 £ 000	31 December 2019 £ 000
Current assets			
Debtors	6	328	578
Cash at bank and in hand		<u>196</u>	<u>410</u>
		524	988
Creditors: amounts falling due within one year	7	<u>(369)</u>	<u>(849)</u>
Net assets		<u>155</u>	<u>139</u>
Capital and reserves			
Called up share capital	8	-	-
Profit and loss account		<u>155</u>	<u>139</u>
Total shareholder's funds		<u>155</u>	<u>139</u>

Approved by the Board and signed on its behalf by:


 Tina Hammond (Sep 23, 2021 14:30 GMT+1)
 T Hammond
 Director

Date: Sep 23, 2021

Company registration number: 05674906

The notes on pages 11 to 14 form an integral part of these financial statements.

Mammoth Productions Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1 Accounting policies

a) Statement of compliance

Mammoth Productions Limited is a limited liability company incorporated in England & Wales. The Registered Office is 98 Theobald's Road, London, WC1X 8WB.

The company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ended 31 December 2020.

b) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and with applicable United Kingdom accounting standards.

The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £'000.

Statement of cash flows

The company has taken advantage of the exemption in FRS 102.1.12(b) Reduced disclosures for subsidiaries. A statement of cashflows has not been prepared as the company is a member of a group where the parent, AT&T Inc., prepares publicly available consolidated financial statements and the company is included in the consolidation (see note 10).

Related parties

The company has taken advantage of the exemption in FRS 102 33.1A not to disclose related party transactions with fellow wholly-owned subsidiary undertakings of AT&T Inc., which prepares publicly available consolidated financial statements (see note 10).

c) Judgements and key sources of estimation uncertainty

The preparation of the financial statements 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 (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Taxation

The company recognises liabilities for anticipated uncertain corporation tax positions based on reasonable estimates of whether additional taxes will be due and the timing of those additional taxes. Further details are contained in note 5.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits.

Mammoth Productions Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

1 Accounting policies (continued)

d) Significant accounting policies

Turnover

The company engages in film production and turnover, net of value added tax, comprises of film production fees and profit participations from the exploitation of films. All turnover arises in the United Kingdom from continuing operations.

Participation revenue and production fee income are recognised on an accruals basis following the contractual conditions of the agreements.

Interest receivable and payable

Interest income and expense are recognised on an accruals basis.

Foreign currencies

Transactions in foreign currencies are initially recorded in the entities functional currency by applying the spot rate of exchange 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 income statement.

2 Operating loss

This is stated after charging/(crediting):

	Year ended 31 December 2020 £ 000	Year ended 31 December 2019 £ 000
Auditors remuneration - audit of the financial statements	4	4
Foreign exchange loss	<u>2</u>	<u>1</u>

The company had no employees in the current and prior year.

To the extent that the company is a film production company it engages cast and crew to provide services for film production. As such these individuals are not considered to be employees for the purposes of section 411 of the Companies Act 2006.

3 Directors' remuneration

The directors of the company are also directors of, and paid by, other companies within the group in current and prior year. They have minimal qualifying services to the company and receive no remuneration in respect of the company.

4 Interest receivable and similar income

	Year ended 31 December 2020 £ 000	Year ended 31 December 2019 £ 000
Interest receivable and similar income	<u>1</u>	<u>1</u>

Mammoth Productions Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

5 Taxation

a) The credit based on the loss for the year is £54,000 (2019 - £63,000).

b) Circumstances affecting the total tax charge:

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 19% (2018 - 19%).

The tax charge for the year differs from the standard rate for the reasons in the reconciliation below:

	Year ended 31 December 2020 £ 000	Year ended 31 December 2019 £ 000
Loss before tax	(38)	(46)
Taxation on loss on ordinary activities at standard rate	(7)	(9)
Factors affecting the tax charge:		
Creative tax credits	(47)	(54)
Total tax credit (see note 5(a) above)	(54)	(63)

c) Factors affecting future tax charges

The Finance Act 2016 included legislation to reduce the main rate of corporation tax rate from 19% to 17% from 1 April 2020. 2020. The Finance Act 2020, enacted on 22 July 2020 reversed this rate reduction. The effect of this reversal on the deferred tax balance is reflected in these accounts.

The Finance Act 2021, enacted on 10 June 2021, included legislation to increase the rate of Corporation tax to 25% as of 1 April 2023. The proposed rate rise, which was not substantively enacted at the balance sheet date, has no material impact on these or future accounts.

6 Debtors

	31 December 2020 £ 000	31 December 2019 £ 000
Other debtors	54	92
Prepayments and accrued income	274	485
VAT receivable	-	1
	328	578

Mammoth Productions Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

7 Creditors

	31 December 2020 £ 000	31 December 2019 £ 000
Due within one year		
Other taxes and social security costs	16	-
Accruals and deferred income	276	487
Due to group undertakings	77	362
	<u>369</u>	<u>849</u>

8 Called up share capital

	Issued, allotted, called up and fully paid			
	31 December 2020		31 December 2019	
	Number	£	Number	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

9 Contingent liabilities

The company has entered into a group composite accounting agreement with its bankers. The terms of the agreement permit the bankers, without notice, to draw down funds deposited into the system, and to offset borrowings drawn down from the system by other group members who are also parties to these arrangements. At the statement of financial position date, funds deposited by the company into the system, and potentially at risk to cover liabilities elsewhere in the group, amounted to £196,000 (2019 - £411,000).

10 Ultimate parent undertaking

The company's immediate parent undertaking is Warner Bros. Productions Limited.
The company's ultimate parent undertaking is AT&T Inc., a company incorporated in the United States of America. Copies of AT&T Inc.'s financial statements can be obtained from 208 S. Akard St, Dallas, TX 75202, USA.

11 Non adjusting events after the financial period

On 17 May 2021 the ultimate parent company, AT&T Inc. announced they will combine the Warner Media content unit with Discovery, Inc. Under the agreement, AT&T Inc. will form a new media company with Discovery, Inc., which would be separate from AT&T Inc. This company is part of the Warner Media Group which will form part of the new media company. Whilst the deal has been announced, it is pending approval by the regulators and Discovery shareholders, and is not expected to formally close until the middle of 2022.