

Company Registration No. 06218163 (England and Wales)

THREE SIXTY ENTERTAINMENT LIMITED

DIRECTORS' REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2012

THREE SIXTY ENTERTAINMENT LIMITED

COMPANY INFORMATION

Directors	Mr C J M Burnell Mr H P J Meakin
Company number	06218163
Registered office	2nd Floor 80 -81 St Martin's Lane London WC2N 4AA
Auditors	Crowe Clark Whitehill (London) Limited Chartered Accountants 3rd Floor 52 Jermyn Street London SW1Y 6LX
Business address	2nd Floor 80 -81 St Martin's Lane London WC2N 4AA

THREE SIXTY ENTERTAINMENT LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 12

THREE SIXTY ENTERTAINMENT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2012

The directors present their report and financial statements for the year ended 30 September 2012.

Principal activities

The principal activity of the company is the production and management of theatrical shows.

Business Review

The Peter Pan North American licensed production continued to tour until 31st December 2011. The Lion, The Witch And The Wardrobe production opened on 9 May 2012 and closed on 9 September 2012 and despite significant ticket sales did not generate the projected returns. Since the year-end, there has been no further show production activity. The company provided a loan to LW The Show Limited, its subsidiary, totaling £1.45m, which given the performance of the The Lion, The Witch And The Wardrobe production is not anticipated being returned unless there are new productions and accordingly is fully provided.

During the year the company raised £0.6Mn share capital, £0.2Mn was received in cash and the remainder was via conversion of existing loans.

Since the end of the financial year, the directors have been exploring future production opportunities and, although nothing has yet been finalised, progress has been made for a possible 2014 Peter Pan North American Tour. However, all funds raised for a future production will probably be via a separate US entity, which would not be a subsidiary of Three Sixty Entertainment Limited, and the returns to the company are currently anticipated to be in the form of fees, royalties and profit share. Furthermore, whilst a level of additional loan finance has been provided to the company, the company has not managed to defer its debt obligations nor raise additional equity finance.

Accordingly, in the absence of future funding the directors have prepared the financial statements on a cessation basis as outlined in Note 1.1 to the financial statements.

Directors

The following directors have held office since 1 October 2011:

Mr C J M Burnell

Mr A M C Loubser

(Appointed 28 February 2012 and resigned 22 October 2013)

Mr H P J Meakin

Auditors

In accordance with the company's articles, a resolution proposing that Crowe Clark Whitehill (London) Limited be reappointed as auditor of the company will be put at a General Meeting.

THREE SIXTY ENTERTAINMENT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditor are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board

Mr C J M Burnell

Director

19 November 2013

THREE SIXTY ENTERTAINMENT LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THREE SIXTY ENTERTAINMENT LIMITED

We have audited the financial statements of Three Sixty Entertainment Limited for the year ended 30 September 2012 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities). The financial statements have been prepared on a cessation basis.

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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, 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). These standards require us to comply with the Auditing Practices Board'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 Directors' Report to identify material inconsistencies with the audited financial statements. 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 30 September 2012 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter- Cessation basis

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1.1 to the financial statements concerning the inability of the company to repay its loans if demanded, despite the fact that there is ongoing financial support from one of the loan holders, and the uncertainty surrounding future production opportunities, the ability to negotiate existing finance arrangements and seek opportunities for new sources of finance. As consequence the financial statements have been prepared on a cessation basis. As detailed in note 1.1 the carrying value of assets and liabilities have been adjusted where appropriate to reflect the preparation of the financial statements on a cessation basis. In view of the significance of this and the uncertainty arising we consider that this should be drawn to your attention.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

THREE SIXTY ENTERTAINMENT LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF THREE SIXTY ENTERTAINMENT LIMITED

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, 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' exemption in preparing the directors' report.

Nigel Bostock (Senior Statutory Auditor)

for and on behalf of Crowe Clark Whitehill (London) Limited

19 November 2013

Chartered Accountants

Statutory Auditor

3rd Floor
52 Jermyn Street
London
SW1Y 6LX

THREE SIXTY ENTERTAINMENT LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2012

		2012	2011
	Notes	£	£
Turnover		216,087	1,385,178
Cost of sales		<u>(57,541)</u>	<u>-</u>
Gross profit		158,546	1,385,178
Administrative expenses		<u>(2,366,844)</u>	<u>(4,215,336)</u>
Operating loss	2	(2,208,298)	(2,830,158)
Other interest receivable and similar income	3	329	136
Interest payable and similar charges		<u>(173,947)</u>	<u>(103,807)</u>
Loss on ordinary activities before taxation		(2,381,916)	(2,933,829)
Tax on loss on ordinary activities	4	<u>-</u>	<u>-</u>
Loss for the year	11	<u><u>(2,381,916)</u></u>	<u><u>(2,933,829)</u></u>

THREE SIXTY ENTERTAINMENT LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Tangible assets	5	334,211		400,446	
Investments	6	2		2	
		<u>334,213</u>		<u>400,448</u>	
Current assets					
Debtors	7	26,435		598,880	
Cash at bank and in hand		<u>212,590</u>		<u>199,225</u>	
		239,025		798,105	
Creditors: amounts falling due within one year	8	<u>(1,218,531)</u>		<u>(637,302)</u>	
Net current (liabilities)/assets		<u>(979,506)</u>		<u>160,803</u>	
Total assets less current liabilities		<u>(645,293)</u>		<u>561,251</u>	
Creditors: amounts falling due after more than one year	9	<u>(1,068,749)</u>		<u>(500,000)</u>	
		<u>(1,714,042)</u>		<u>61,251</u>	
Capital and reserves					
Called up share capital	10	55,970		47,698	
Share premium account	11	4,657,288		4,058,937	
Other reserves	11	1		1	
Profit and loss account	11	<u>(6,427,301)</u>		<u>(4,045,385)</u>	
Shareholders' funds		<u>(1,714,042)</u>		<u>61,251</u>	

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board for issue on 19 November 2013

Mr C J M Burnell
Director

Company Registration No. 06218163

THREE SIXTY ENTERTAINMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The directors, at the time of approval of these financial statements, do not consider the company to be a going concern due to the inability of the company to repay its loans if demanded, despite the fact that there is ongoing financial support from one of the loan holders. The directors continue to explore future production opportunities, negotiate existing finance arrangements and seek opportunities for new sources of finance, however at this stage they are not able to establish this with any certainty. Accordingly the accounts have been prepared on a cessation basis rather than a going concern.

The Directors do not consider the recoverable amounts of assets to be materially different from the carrying value as disclosed in the financial statements. In making this assessment the directors have specifically considered the carrying value of the fixed assets held and has in making their assessment of the carrying value obtained a third party assessment of the current value. The Directors do not consider there to be any additional liabilities to be recognised as at the year end in respect of the preparation of the financial statements on a cessation basis.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover comprises UK shows, production services and recharge income and represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	20% Straight line
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1.5 Investments

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

1.6 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 399 of the Companies Act 2006 not to prepare group accounts.

2 Operating loss

	2012	2011
	£	£
Operating loss is stated after charging:		
Depreciation of tangible assets	237,910	192,340
Auditors' remuneration	5,000	8,946
Directors' remuneration	91,068	104,333

THREE SIXTY ENTERTAINMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

3 Investment income	2012	2011
	£	£
Bank interest	329	136
	<u>329</u>	<u>136</u>

4 Taxation

The company has estimated losses of £ 4,527,594 (2011 - £ 3,786,528) available for carry forward against future trading profits.

5 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 October 2011	961,701
Additions	<u>322,226</u>
At 30 September 2012	<u>1,283,927</u>
Depreciation	
At 1 October 2011	561,255
Charge for the year	<u>388,461</u>
At 30 September 2012	<u>949,716</u>
Net book value	
At 30 September 2012	<u><u>334,211</u></u>
At 30 September 2011	<u><u>400,446</u></u>

Since inception the company has acquired assets totalling £1,469,833.

THREE SIXTY ENTERTAINMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

6 Fixed asset investments

	Shares in group undertakings and participating interests
	£
Cost	
At 1 October 2011 & at 30 September 2012	2
Net book value	
At 30 September 2012	2
At 30 September 2011	2

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
LW The Show Limited	United Kingdom	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and Profit/(loss) for reserves 2012	the year 2012
	Principal activity	£	£
LW The Show Limited	Production and management of theatrical shows	(1,470,651)	(1,470,653)

7 Debtors

	2012 £	2011 £
Trade debtors	-	4,303
Other debtors	26,435	594,577
	26,435	598,880

THREE SIXTY ENTERTAINMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

8	Creditors: amounts falling due within one year	2012	2011
		£	£
	Trade creditors	29,783	57,321
	Taxation and social security	9,676	3,817
	Other creditors	1,179,072	576,164
		<u>1,218,531</u>	<u>637,302</u>

9	Creditors: amounts falling due after more than one year	2012	2011
		£	£
	Other creditors	<u>1,068,749</u>	<u>500,000</u>

Analysis of loans

Wholly repayable within five years	2,107,499	1,000,000
Included in current liabilities	<u>(1,038,750)</u>	<u>(500,000)</u>
	<u>1,068,749</u>	<u>500,000</u>

Included in other creditors is an amount of £500,001 due to Miklo Beheer BV which is secured over the assets of the company.

THREE SIXTY ENTERTAINMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

10 Share capital	2012	2011
	£	£
Authorised		
2 Deferred shares of £1 each	2.00	2.00
216,250 Ordinary "A" shares of £0.05 each	10,812.50	10,812.50
176,923 Ordinary "B" shares of £0.0000001 each	0.02	0.04
95,536 Ordinary "C" shares of £0.07 each	6,687.52	6,687.52
150,000 Ordinary "D" shares of £0.0433 each	6,495.00	6,495.00
426,311 Ordinary "E" shares of £0.075 each	31,973.33	23,701.20
	<u>55,970.37</u>	<u>47,698.24</u>
Allotted, called up and fully paid		
2 Deferred shares of £1 each	2.00	2.00
216,250 Ordinary "A" shares of £0.05 each	10,812.50	10,812.50
176,923 Ordinary "B" shares of £0.0000001 each	0.02	0.04
95,536 Ordinary "C" shares of £0.07 each	6,687.52	6,687.52
150,000 Ordinary "D" shares of £0.0433 each	6,495.00	6,495.00
426,311 Ordinary "E" shares of £0.075 each	31,973.33	23,701.20
	<u>55,970.37</u>	<u>47,698.24</u>

During the year, 110,295 ordinary E class shares of £0.075 each were issued at £5.50 per share.

11 Statement of movements on reserves

	Share premium account	Other reserves (see below)	Profit and loss account
	£	£	£
Balance at 1 October 2011	4,058,937	1	(4,045,385)
Loss for the year	-	-	(2,381,916)
Premium on shares issued during the year	598,351	-	-
Balance at 30 September 2012	<u>4,657,288</u>	<u>1</u>	<u>(6,427,301)</u>

Other reserves

Capital redemption reserve

Balance at 1 October 2011 & at 30 September 2012

1

THREE SIXTY ENTERTAINMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

12 Transactions with directors

During the year, consultancy fees of £21,660 (2011: £20,292) were paid to Mr H Meakin, a director of the company.

13 Control

There is no ultimate controlling party.

14 Post balance sheet events

The directors have continued to explore future production opportunities since the end of the financial year. Although nothing has yet been finalised, progress has been made for a possible 2014 Peter Pan North American Tour. All funds raised would be via a separate US entity, which would not be a subsidiary of Three Sixty Entertainment Limited. The returns to the company are currently anticipated to be in the form of fees, royalties and profit share.

Two of the company's loans are currently in default though the two loan holders are not currently enforcing their rights. In fact one loan holder has advanced a further £190k since December 2012 on the basis of the US Tour.

15 Related party transactions

As at the year end two shareholders had loans to the company, Miklo Beheer BV £500,001 (2011: £780,000) and Bob Dyrbus £857,498 (2011: £220,000). During the year, Miklo Beheer BV charged £72,479 (2011: £84,253) and Bob Dyrbus charged £22,028 (2011: £1,563) loan interest.

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with any wholly owned subsidiary undertaking of the group.

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