

# **dock 10 Limited**

## **Report and financial statements for the year ended 31 March 2017**

**Registered No: 07289237**

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# **dock 10 Limited**

## **Directors**

M R Wall  
M A Senior  
S K Underwood  
N Lees  
J A Whalley  
J P Whittaker

## **Secretary**

J A Whalley

## **Auditor**

Deloitte LLP  
Statutory Auditor  
Manchester  
2 Hardman Street  
Manchester  
M3 3HF

## **Bankers**

The Royal Bank of Scotland  
38 Mosley Street  
Manchester  
M60 2BE

## **Registered office**

Peel Dome, Intu Trafford Centre  
Trafford City  
Manchester  
M17 8PL

# **dock 10 Limited**

## **Strategic Report**

### **Principal activities**

The principal activities of the Company are the provision of a range of digital media services to the UK broadcast industry. dock10 Limited operates 'The Studios' complex and the campus wide communications infrastructure at MediaCityUK in Manchester and provides studio , post production and related services.

As a recognised brand within the UK broadcast industry, the Company continues to grow its profile through delivering excellence in everything we do, being at the forefront in developing innovative services and collaborating with partners to meet the demands of a rapidly changing industry.

### **Business and financial review**

The Company has continued to consolidate its position in the broadcast market.

Turnover in the year at £24.5m (2016: £22.1m) has increased due to more production activity and the consolidation of a full year's trading of Edit19, which was acquired in the financial year. Activity continues to be driven by a combination of new commissions such as 'Let It Shine' and returning ones like 'The VoiceUK' and reflects the increasing confidence the market has in the dock10's offering. Gross profit has increased in the year to 72.3% (2016: 70.8%) and operating profit has increased against Gross profit to 6.1% (2016: 5.8%). The Company's earnings before interest, tax, depreciation and amortisation is £2.7m (2016: £2.2m). The Company continues to drive efficiencies and savings while continuing to invest in hiring the best staff to deliver dock10's business today and into the future. The average headcount for the year was 145 (2016: 133).

Profit before tax has increased by £0.2m to £0.9m (2016: £0.7m) and after tax to £0.5m (2016: £0.4m). Tax has increased to £0.4m (2016: £0.3m).

On 6<sup>th</sup> April 2016 the Company completed the acquisition of 100% of the shares in Edit19 Limited and followed this on 1<sup>st</sup> November 2016 by acquiring 100% of the shares in 422.tv Limited. Following the acquisition of Edit19 Limited and 422.tv all of the companies business, assets and staff being hived up in to dock10. Both of these companies specialise in VFX and related services and have enabled dock10 to significantly increase its presence in the Advertising and Corporate markets. The integration of these companies has progressed well.

The Company continues to invest in its facilities coupled with an on-going investment commitment in its technology infrastructure to ensure that customer's requirements can be delivered. During the year a further extension of the Company's boutique style post production facility, known as 'The Quay' was completed and a new digital content studio with green screen capabilities was added.

dock10 is committed to excellence in all that it does maintaining its ISO standards ISO 9001:2008 (Quality Management Systems), ISO 14001:2004 (Environmental Management Systems) and OHSAS 18001: 2007 (Occupational Health and Safety Management Systems). These standards are fundamental to delivering a differentiated product offering based around its quality systems and incorporating its responsibility for health and safety and its commitment to minimising its impact on environment. In July 2017, the Company was accredited against the new 2015 standard for ISO 9001 and 14001. During the financial year ISO 50001:2011 (Energy Management Systems) accreditation was achieved.

### **Financial risk management objectives and policies**

The Company's activities expose it to a number of financial risks including credit, business cash flow and liquidity exposures.

#### ***Cash flow and liquidity risk***

The Company's cash flow is adequately supported by the loan facility from its shareholder. There is sufficient headroom remaining from the loan which has not yet been drawn down to maintain the Company's cash position.

## **dock 10 Limited**

### **Strategic Report (continued)**

#### ***Business risk***

The Company has taken significant steps to mitigate the incidence and impacts of its business risks by operating a robust risk management process led by its Head of Risk Management. Risks and opportunities identified throughout the business are documented and assessed for their financial likelihood and impact. Procedures are then put in place to eradicate/minimise both.

Other areas of mitigation and management of risk include the recruitment, training, and development of highly competent staff, a technical refresh programme which ensures that the Company's equipment and infrastructure is maintained to the best industry standards and a maintenance and monitoring regime to ensure its effective working.

#### ***Credit risk***

The Company's principal financial assets are bank balances and cash and trade receivables.

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event, which based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

In order to mitigate the credit risk, credit reports from Dun and Bradstreet are acquired for all new customers to assess their credit worthiness and aging of debtors is monitored on a regular basis, to identify any potential bad debts. Where necessary debts are passed to our legal representatives to ensure recovery.

#### ***Innovation and development***

The Company is committed, through original development and collaborative innovation, to improve the quality of existing processes and to design and implement new ones.

#### ***Corporate social responsibility***

The Company recognises that it has a responsibility to not only its employees, but also the wider community within which it operates. Community includes our colleagues, their families, customers, suppliers, local communities, our environment and our responsibility as a representative of our industry. The Company strives to be a socially responsible business in each area indicated and by fulfilling our duty of care we aim to minimise our impact on the environment, support our communities and create a supportive inspiring work place for our employees.

#### ***Environmental***

The Company recognises its role by responding conscientiously in business to help minimise any adverse impact we may have on the environment. Positive steps are being taken to make a positive contribution to meeting global environmental challenges, such as climate change.

The main areas of focus which can be influenced directly include energy, waste management and transportation.

In terms of success in reducing energy consumption in the year, the Company has consumed 8.64Gwh (2016: 8.28Gwh), with company revenue increasing by 11.3% consumption of energy has risen by only 4.3%.

All staff have continued to receive Carbon Literacy training as part of the wider Greater Manchester Climate Change Strategy to reduce CO2 emissions by 48% by 2020. In November 2016, dock10 was awarded the Gold level standard as a Carbon Literate Organisation.

The Company works with the BBC sustainability department and BAFTA to help productions complete their Albert+ submissions.

# **dock 10 Limited**

## **Strategic Report (continued)**

### **Future outlook**

dock10 Limited is focussed on continuing to work in partnership with its customers and suppliers to deliver excellent customer services and solutions. dock10 anticipates that in line with its "strategic growth plan, revenue is expected to continue to increase".

The diversification of the Company's business through the acquisitions it made in the year will broaden the markets it addresses and its customer reach.

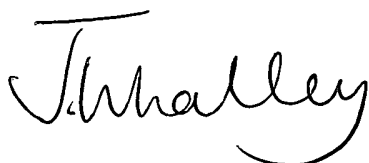
The Company also continues to build its experience in emerging production technologies such as 360 , Virtual Reality and Augmented Reality and deliver innovative work flow solutions to its clients such as remote in-house edit services,

### **Going concern**

As disclosed in Note 2 to the financial statements in determining the basis of preparation for the financial statements, the directors have considered the Company's business activities together with the factors likely to affect its future development, performance and position. This includes an overview of the Company's financial position, its cash flows, liquidity position and available finance.

Taking account of possible changes in trading performance, the directors consider that the Company's forecasts and projections, show that the Company should be able to operate within the Company's existing facilities for the foreseeable future. This is subject to the inherent risk of future uncertainty. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

By order of the Board on 3 October 2017:



J A Whalley  
Company Secretary  
dock10 Limited  
Peel Dome, Intu Trafford Centre  
Trafford City  
Manchester  
M17 8PL

# **dock 10 Limited**

## **Directors' Report**

The directors present their Annual Report and the audited financial statements for the year ended 31<sup>st</sup> March 2017.

As permitted by s414c(11) of the Companies Act 2006, details of future outlook, business and financial review, KPI's, financial risk management objectives and policies and assessment of going concern are presented in the strategic report.

### **Results and dividends**

The retained profit for the financial year is £0.5m (2016: £0.4m) and has been transferred to reserves.

The directors do not recommend payment of a dividend (2016: £nil).

### **Directors**

The directors who served throughout the year and thereafter, except as noted below, were as follows:

M A Senior  
S K Underwood  
J A Whalley  
M R Wall  
J P Whittaker  
N Lees

### **Directors' indemnities**

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

### **Charitable and political contributions**

During the year the Company did not make any charitable or political donations (2016: £nil).

### **Employee involvement**

We aim to create the optimum environment in which all our employees feel inspired and empowered and can perform to their best ability in jobs that they enjoy and excel at. We achieve this by providing them with varied learning experiences and challenges, and communicating with them effectively. Our structured leadership programme ensures our managers are equipped with the behaviours and skills to lead and develop their teams. Through regular reviews and feedback we support staff to develop to their full potential.

### **Disabled employees**

The Company complies with the requirements of the Disability Discrimination Act 1995. The Company gives full and fair consideration to applications for employment by disabled persons, having regard to their particular aptitude and abilities. Disabled employees have the same training and promotion opportunities as all employees.

Due to the nature of the facilities that the Company operates, full consideration is given to customers, suppliers and members of the public to ensure, as far as possible, compliance with all disability requirements are met.

# **dock 10 Limited**

## **Directors' Report (continued)**

### **Disclosure of information to 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 s418 of the Companies Act 2006.

### **Post balance sheet events**

On the 1<sup>st</sup> April 2017 the business and assets of 422.tv were hived up to dock10 Limited, the company having been purchased in the financial year (1<sup>st</sup> November 2016).

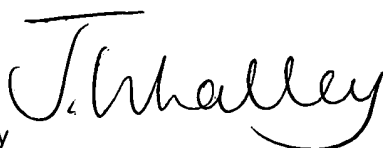
### **Approval of reduced disclosures**

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's shareholder/s have been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

### **Auditor**

In accordance with section 487(2) of the Companies Act 2006, Deloitte LLP are deemed to have been reappointed as auditor of the Company.

By order of the Board on 3 October 2017:



J A Whalley  
Director  
dock 10 Limited  
Peel Dome, Intu Trafford Centre  
Trafford City  
Manchester  
M17 8PL

## **dock 10 Limited**

### **Directors' responsibilities statement**

The directors are responsible for preparing the Annual 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), including FRS 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 of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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



## **Independent Auditor's report to the members of dock 10 Limited**

We have audited the financial statements of dock 10 Limited for the year ended 31 March 2017 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 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 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 auditor**

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. 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 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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its profit 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 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

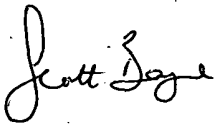
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

## **Independent Auditor's report to the members of dock 10 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, 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.



Scott Bayne FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
2 Hardman Street  
Manchester,  
M3 3HF

3 October 2017

# dock 10 Limited

## Profit and loss account

for the year ended 31 March 2017

	Notes	2017 £'000	2016 £'000
<b>Turnover</b>	<b>3</b>	24,460	22,115
Cost of sales		(6,772)	(6,449)
<b>Gross profit</b>		<b>17,688</b>	<b>15,666</b>
Administrative expenses		(16,602)	(14,753)
<b>Operating profit</b>		<b>1,086</b>	<b>913</b>
Finance costs (net)	<b>4</b>	(137)	(162)
<b>Profit before taxation</b>	<b>5</b>	<b>949</b>	<b>751</b>
Tax charge on profit	<b>8</b>	(439)	(324)
<b>Profit for the year attributable to the equity shareholder of the Company</b>		<b>510</b>	<b>427</b>

The above results were derived from continuing operations.

The Company did not make any recognised gains or losses in the current and prior year other than the profit on ordinary activities after taxation. Accordingly, no separate statement of comprehensive income has been presented.

# dock 10 Limited

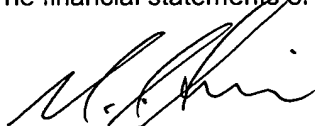
## Balance sheet

At 31 March 2017

	Notes	2017 £'000	2016 £'000
<b>Fixed assets</b>			
Intangible assets	9	635	-
Tangible assets	10	4,894	5,005
Investments	11	918	-
		<u>6,447</u>	<u>5,005</u>
<b>Current assets</b>			
Debtors	12	3,154	2,335
Cash at bank and in hand		1,801	2,184
		<u>4,955</u>	<u>4,519</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(6,215)</u>	<u>(6,321)</u>
<b>Net current liabilities</b>		<u>(1,260)</u>	<u>(1,802)</u>
<b>Total assets less current liabilities</b>		<b>5,187</b>	<b>3,203</b>
<b>Creditors: amounts falling due after more one year</b>	14	<u>(2,911)</u>	<u>(1,437)</u>
<b>Net assets</b>		<u><b>2,276</b></u>	<u><b>1,766</b></u>
<b>Capital and reserves</b>			
Called-up share capital	15	1,000	1,000
Profit and loss account		1,276	766
<b>Total shareholder's funds</b>		<u><b>2,276</b></u>	<u><b>1,766</b></u>

The financial statements of dock 10 Limited (Company registration number 07289237), were approved by the Board of Directors and authorised for issue on 3 October 2017.

The financial statements of dock 10 Limited signed on its behalf by:



M A Senior

Director

## dock 10 Limited

### Statement of Changes in Equity

For the year ended 31 March 2017

	Called up Share capital	Profit and loss account	Total
	£'000	£'000	£'000
As at 1 April 2015	1,000	339	1,339
Profit for the financial year	-	427	427
At 1 April 2016	1,000	766	1,766
Profit for the financial year	-	510	510
At 31 March 2017	1,000	1,276	2,276

# **dock 10 Limited**

## **Notes to the financial statements**

For the year ended 31 March 2017

### **1 General Information**

dock 10 Limited is a private company limited by shares, incorporated and registered in England and Wales under the Companies Act.

The address of the registered office is:

Peel Dome, Intu Trafford Centre  
Trafford City  
Manchester  
M17 8PL

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

The functional currency of dock10 Limited is considered to be pounds sterling, because that is the currency of the primary economic environment in which the Company operates. The financial statements are also presented in pounds sterling.

#### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

#### **Basis of preparation**

The financial statements have been prepared using the historical cost convention except where disclosed in the accounting policies certain items are shown at fair value.

dock 10 Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, dock10 Limited is consolidated in the Financial Statements of its Parent Peel Media Studios Holdings Limited, which may be obtained at Peel Dome, Intu Trafford Centre, Trafford City, Manchester, M17 8PL. Exemptions have been taken in relation to presentation of a cash flow statement and remuneration of key management personnel.

The company has taken advantage of the exemption provided by Section 400 of the Companies Act 2006 not to prepare group accounts on the grounds that group accounts are prepared by the holding company, Peel Media Studios Holdings Limited, details of which are included above. Edit19 Limited and 422.tv Limited have taken an exemption from audit by parent guarantee under s497A of the Companies Act 2006.

#### **Going concern**

In determining the basis of preparation for the financial statements, the directors have considered the Company's business activities including an overview of the Company's financial position, its cash flows, liquidity position and available finance.

The Company is partly funded by shareholder loan facilities which are due for renewal 31 March 2020. The directors consider that the Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of financing available from its shareholders for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

# **dock 10 Limited**

## **Notes to the financial statements (continued)**

For the year ended 31 March 2017

### **2 Accounting policies (continued)**

#### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The directors have considered this and do not deem there are any key sources of estimation uncertainty applicable to the company.

#### **Critical judgements in applying the Company's accounting policies**

The directors have considered whether critical judgements have been made in the process of applying the Company's accounting policies and have the most significant effect on the amounts recognised in financial statements. The directors do not consider there to be any critical judgements applied.

#### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

#### **Leases**

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis, unless another systematic and rational basis is more appropriate.

Rentals under operating leases for the lease of the Studio facilities are charged on a systematic and rational approach based on the profitability of the facilities.

# dock 10 Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2017

### 2 Accounting policies (continued)

#### Tangible fixed assets, depreciation and impairment

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold improvements:	1-10 years
Plant and machinery:	4-15 years
Office and IT equipment:	3-5 years

Residual value is calculated on prices prevailing at the date of acquisition.

#### Turnover

Turnover is recognised at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. Turnover is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Amounts received in advance from customers are deferred and recognised in the profit and loss, only once the service has been provided.

#### Pensions

For the defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

#### Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- Returns to the holder are (i) a fixed amount; or (ii) a fixed rate of return over the life of the instrument; or (iii) a variable return that, throughout the life of the instrument, is equal to a single referenced quoted or observable interest rate; or (iv) some combination of such fixed rate and variable rates, providing that both rates are positive.
- There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in relevant taxation or law.
- There are no conditional returns or repayment provisions except for the variable rate return described in (a) and prepayment provisions described in (c).

Debt instruments that are classified as payable or receivable within one year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting these conditions are measured at fair value through profit or loss.



# dock 10 Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2017

### 2 Accounting policies (continued)

#### Intangible assets – goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is [number] years. Provision is made for any impairment.

#### Investments

Investments in subsidiaries and associates are measured at cost less any provision for impairment.

#### Financial assets and liabilities (continued)

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

### 3 Turnover

All revenue is generated from the UK and relates to the rendering of services to customers.

### 4 Finance costs (net)

	2017 £'000	2016 £'000
Bank interest receivable	(5)	(11)
Finance lease interest payable	142	173
	<hr/>	<hr/>
	137	162

### 5 Profit before taxation

Profit on ordinary activities before taxation is stated after charging:

	2017 £'000	2016 £'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	26	25
Fees payable to the Company's auditor and their associates for other services	7	3
Amortisation of goodwill	159	-
Depreciation of tangible assets:		
owned	1,271	757
held under finance leases	156	504
Operating lease rentals:		
plant and machinery	10	14
other	1,787	1,510

# dock 10 Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2017

### 6 Staff costs

Aggregate remuneration (including directors' remuneration) comprised of:

	2017 £'000	2016 £'000
Wages and salaries	6,263	5,407
Social security costs	634	583
Other pension costs (see note 16)	249	237
	<b>7,146</b>	<b>6,227</b>

The average monthly number of employees (including two directors) was:

	2017 No.	2016 No.
Administrative staff	145	133

### 7 Directors' remuneration

Directors' remuneration	2017 £'000	2016 £'000
Emoluments	379	306
Company contributions to money purchase pension schemes	-	14
Sums paid to third parties in respect of directors' services	55	75
	<b>434</b>	<b>395</b>

Remuneration of the highest paid director	2017 £'000	2016 £'000
Emoluments	359	286
Company contributions to money purchase pension schemes	-	14
Sums paid to third parties in respect of directors' services	-	-
	<b>359</b>	<b>300</b>

No directors were members of a money purchase pension scheme (2016: 1)

# dock 10 Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2017

### 8 Tax

#### (a) Tax on profit

The tax charge is made up as follows:

	2017 £'000	2016 £'000
<b>Current tax</b>		
UK corporation tax	423	180
Adjustment in respect of prior years	18	27
<b>Total current tax</b>	<b>441</b>	<b>207</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	1	122
Adjustment in respect of previous periods	(3)	(22)
Effect of changes in tax rates	-	17
<b>Total deferred tax (credit)/charge</b>	<b>(2)</b>	<b>117</b>
<b>Tax charge on profit</b>	<b>439</b>	<b>324</b>

#### (b) Factors affecting current tax charge

The differences are reconciled below:

	2017 £'000	2016 £'000
Profit before tax	949	751
Tax on profit on ordinary activities at standard UK corporation tax rate of 20% (2016: 20%)	190	150
Expenses not deductible for tax purposes	72	22
Depreciation in excess of capital allowances	161	132
Movement in short term timing differences	1	15
Adjustment in respect of prior years	15	5
<b>Total tax charge for the year</b>	<b>439</b>	<b>324</b>

Finance Bill 2016 was substantively enacted on 6 September 2016 which introduced a reduction in the main rate of corporation tax to 17% with effect from 1 April 2020. Accordingly, these rates have been applied when calculating deferred tax assets and liabilities as at 31st March 2017. To the extent that the deferred tax reverses before 1 April 2020 then the impact on the net deferred tax will be reduced.

#### (c) Deferred tax

The deferred tax included in the balance sheet is as follows:

	2017 £'000	2016 £'000
<b>Origination and reversal of temporary differences</b>		
- Short term trading differences	29	27
	<b>29</b>	<b>27</b>

## dock 10 Limited

### Notes to the financial statements (continued)

For the year ended 31 March 2017

#### 8 Tax (continued)

##### (d) Tax analysis

	£'000
At 1 April 2016	(27)
Deferred tax credit to profit and loss account	(2)
At 31 March 2017	<u>(29)</u>

The deferred tax asset which has been recognised represents the expected utilisation of the excess of capital allowances over depreciation over the next 3 years at a rate of 18%.

#### 9 Intangible fixed assets

	Goodwill £'000
<b>Cost:</b>	
At 1 April 2016	-
Additions	794
At 31 March 2017	<u>794</u>
<b>Amortisation:</b>	
At 1 April 2016	-
Charge for the year	159
At 31 March 2017	<u>159</u>
<b>Net book value:</b>	
At 31 March 2017	<u>635</u>
At 31 March 2016	<u>-</u>

On the 6<sup>th</sup> April 2016 the company purchased 100% of the shares in Edit19 Limited and on the same date Edit19's business and assets were hived up to dock10 Limited.

The goodwill for the acquisition at the date of hive up is being amortised over 5 years.

On the 1<sup>st</sup> November 2016 the company purchased 100% of the shares in 422.tv Limited and on the 1<sup>st</sup> April 2017 business and assets were hived up to dock10 Limited.

# dock 10 Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2017

### 10 Tangible fixed assets

	Leasehold improvements	Plant and machinery	Office and IT equipment	Total
Cost:	£'000	£'000	£'000	£'000
As at 1 April 2016	956	6,818	1,127	8,901
Additions	726	538	52	1,316
<b>At 31 March 2017</b>	<b>1,682</b>	<b>7,356</b>	<b>1,179</b>	<b>10,217</b>
<b>Depreciation:</b>				
As at 1 April 2016	357	2,766	773	3,896
Charge for the year	211	1,076	140	1,427
<b>At 31 March 2017</b>	<b>568</b>	<b>3,842</b>	<b>913</b>	<b>5,323</b>
<b>Net book value:</b>				
<b>At 31 March 2017</b>	<b>1,114</b>	<b>3,514</b>	<b>266</b>	<b>4,894</b>
At 31 March 2016	599	4,052	354	5,005

Included in plant and machinery are assets held under finance leases with a net book value of £996,000 (2016: £3,013,000). The depreciation charge for the year against these assets was £156,000 (2016: £504,000).

### 11 Investments

#### Movements in investments in subsidiaries

<b>Cost:</b>	<b>£'000</b>
At 1 April 2016	-
Additions	1,723
Transferred to goodwill (note 9)	(794)
Fair value adjustment to net assets	(11)
<b>At 31 March 2017</b>	<b>918</b>
<b>Net book value:</b>	<b>£'000</b>
<b>At 31 March 2017</b>	<b>918</b>
At 31 March 2016	-

## dock 10 Limited

### Notes to the financial statements (continued)

For the year ended 31 March 2017

#### 11 Investments (continued)

Consideration for all acquisitions totalled £1,723,000. Both companies became wholly owned subsidiaries from these dates. Following the acquisition of Edit19 Limited the trade and assets were hived up into the company and the cost of investment totalling £794,000 was transferred to goodwill. On 1<sup>st</sup> April 2017, the trade and assets of 422.tv were hived up and £799,000 was transferred to goodwill.

Subsidiary undertakings	Country of incorporation	Share Holding*
Edit19 Limited	England and Wales	100%
422.tv Limited	England and Wales	100%

\*On the 6<sup>th</sup> April 2016 the company purchased 100% of the shares in Edit19 Limited (1,000 ordinary shares of 10p each) and on the 1<sup>st</sup> November 2016 the company purchased 100% of the shares in 422.tv Limited (10,500 ordinary shares of 0.01p each).

The principal activity of both Edit19 Limited and 422.tv Limited are VFX and related services for the Broadcast, Advertising and Corporate markets and their registered office is Peel Dome, Intu Trafford Centre, Trafford City, Manchester, M17 8PL

#### 12 Debtors

##### Amounts falling due within one year:

	2017 £'000	2016 £'000
Trade debtors	2,238	1,777
Other debtors and prepayments	373	295
Amounts owed by Group undertakings	514	236
	<b>3,125</b>	<b>2,308</b>

##### Amounts falling due after more than one year:

Deferred tax asset (see note 8(c))	29	27
	<b>3,154</b>	<b>2,335</b>

Amounts owed by Group undertakings are all on standard trading terms of 30 days end of month.

#### 13 Creditors: amounts falling due within one year

	2017 £'000	2016 £'000
Obligations under finance leases	233	378
Trade creditors	812	696
Corporation tax	436	318
Other taxation and social security costs	577	453
Other creditors	41	38
Accruals	3,083	2,884
Amounts owed to Group undertakings	1,033	1,554
	<b>6,215</b>	<b>6,321</b>

Amounts owed by Group undertakings are all on standard trading terms of 30 days end of month.

# dock 10 Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2017

### 14 Creditors: amounts falling due after more than one year

	2017 £'000	2016 £'000
Obligations under finance leases	103	337
Accruals	508	-
Loans from Parent undertaking	2,300	1,100
	<b>2,911</b>	<b>1,437</b>

Loans from Parent undertakings are repayable on 31 March 2020 and the interest rate on the loan is 2% above Libor.

Borrowings are repayable as follows:

	2017 £'000	2016 £'000
<b>Obligations under finance leases</b>		
Due within one year	233	901
Between one and two years	103	234
Between two and five years	-	103
	<b>336</b>	<b>1,238</b>

The finance leases are secured against the fixed assets to which they relate. Included within Creditors: Amounts owed to Group undertakings is £nil (2016: £523,000) relating to finance leases.

### 15 Called up share capital

	No.	2017 £'000	No.	2016 £'000
Allotted, called up and fully paid ordinary shares of £1 each	1,000,000	1,000	1,000,000	1,000

The company has one class of ordinary share, which carries no right to fixed income

### 16 Retirement benefit schemes – Defined contribution scheme

The Company operates defined contribution retirement benefit scheme for all qualifying employees. The assets of the schemes are held separately from those of the Company in funds under the control of trustees. Where there are employees who leave the schemes prior to vesting fully in the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

The Company is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Company with respect to the retirement benefit scheme is to make the specified contributions.

The total cost charged to the income statement of £249,000 (2016: £237,000) represents contributions payable to the scheme by the Company at rates specified in the rules of the plans. As at 31 March 2017, contributions of £41,271 (2016: £38,453) due in respect of the current reporting year had not been paid over to the scheme.

# dock 10 Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2017

### 17 Related party transactions

During the year, the Company was recharged operating costs from related parties as set out below:

	31 March 2017 £'000	31 March 2016 £'000
Peel Media Limited	246	308
Peel Utilities Limited	863	926
Peel Media Studios Limited	3,818	3,896
Peel Media Services Studios Limited	126	45
Peel Media Facilities Limited	544	702
Peel Management Limited	37	40
Peel Media Management Limited	61	117
Satellite Information Services Limited	-	1
Malcolm Wall Media	70	83
Peel Holdings Land and Property UK Limited	10	-
Edit19 Limited	20	-
<b>Total</b>	<b>5,795</b>	<b>6,118</b>

The following amounts were outstanding at year end and are included in trade creditors and accruals within note 13:

	31 March 2017 £'000	31 March 2016 £'000
Peel Media Limited	62	4
Peel Utilities Limited	72	70
Peel Media Studios Limited	587	1,286
Peel Media Services Studios Limited	36	28
Peel Media Facilities Limited	102	19
Peel Management Limited	2	13
Peel Media Management Limited	13	97
Edit19 Limited	111	-
Malcolm Wall Media	48	37
<b>Total</b>	<b>1,033</b>	<b>1,554</b>



## dock 10 Limited

### Notes to the financial statements (continued)

For the year ended 31 March 2017

#### 17 Related party transactions (continued)

During the year, the Company recharged operating costs to related parties as set out below:

	31 March 2017 £'000	31 March 2016 £'000
Peel Media Limited	46	28
Peel Leisure (Operations) Limited	18	18
Peel Media Studios Limited	111	328
Peel Media Hotels Limited	66	64
Peel Media Management Limited	43	44
Peel Management Limited	4	-
Peel Media Facilities Limited	319	308
Peel Investments (North) Limited	-	34
The Pie Factory Limited	2	-
Peel Media Studios Holdings Limited	3	-
Peel Media Development Limited	45	-
Peel Media Services Studios Limited	27	-
422.tv Limited	292	-
Edit19 Limited	2	-
Peel Entertainment Group Limited	7	-
<b>Total</b>	<b>985</b>	<b>824</b>

All of the above companies are related parties. The companies are considered to be related parties of dock 10 due to common directorships. Peel Media Studios Limited, Edit 19 Limited and 422.tv Limited are part of the same Group as dock10 and under the control of the same ultimate controlling party.

#### 17 Related party transactions (continued)

The following amounts were outstanding at year end and are included in trade debtors, other debtors and prepayments within note 12:

	31 March 2017 £'000	31 March 2016 £'000
Peel Media Limited	1	3
Peel Media Studios Limited	72	141
Peel Media Hotels Limited	2	2
Peel Media Management Limited	1	-
Peel Management Limited	4	-
Peel Media Facilities Limited	46	50
Peel Investments (North) Limited	-	40
Peel Media Studios Holdings Limited	3	-
Peel Media Development Limited	42	-
Peel Media Services Studios Limited	20	-
422.tv Limited	323	-
<b>Total</b>	<b>514</b>	<b>236</b>

All of the above companies are related parties. The companies are considered to be related parties of dock 10 due to common directorships. Peel Media Studios Limited, Edit 19 Limited and 422.tv Limited are part of the same Group as dock10 and under the control of the same ultimate controlling party.

## dock 10 Limited

### Notes to the financial statements (continued)

For the year ended 31 March 2017

## 18 Financial commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2017		2016	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
- within one year	142	8	142	13
- between one and five years	212	15	354	20
- after five years	-	14	-	-
	<b>354</b>	<b>37</b>	<b>496</b>	<b>33</b>

The lease to The Studios facilities is due to expire in 2020. The rentals payable are charged based on the profitability of The Studio facilities. In the year ended 31 March 2017, the rent amounted to £1,645,000 (2016: £1,369,000).

## 19 Ultimate controlling party

The ultimate holding company in the year ended 31 March 2017 was Tokenhouse Limited, a company incorporated in the Isle of Man. Tokenhouse Limited is controlled by the 1997 Billown Settlement.

The largest group of companies, of which the company is a member, that produces consolidated financial statements is Peel Holdings Group Limited, a company incorporated in the Isle of Man.

The smallest group of companies, of which the company is a member, that produces consolidated financial statements, is Peel Holdings (IOM) Limited, a company incorporated in the Isle of Man. Its group financial statements are available from the Company Secretary, Peel Dome, Intu Trafford Centre, TraffordCity Manchester, M17 8PL. At the year ended 31 March 2017 dock 10 Limited was controlled by Peel Media Studios Limited.