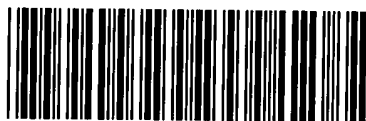


COMPANY REGISTRATION NUMBER: 08375559

CTM 3 Productions Limited
Financial Statements
31 December 2016

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CTM 3 Productions Limited

Financial Statements

Year ended 31 December 2016

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CTM 3 Productions Limited

Strategic Report

Year ended 31 December 2016

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the period was the development and production of television series.

During a previous period, the company completed and delivered a television series called "Call the Midwife – Series 3". Since the television series has been in the process of being exploited through various distribution streams including theatrical, DVD and download to own (DTO) releases.

GOING CONCERN

The directors have a reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future. The company has the right to receive future cashflows from exploitation of a previous production. The cashflows are distributable to the production participants only on receipt, with the company having no other liabilities of financial commitments.

The directors are not aware of any material uncertainty arising from their assessment that would cast doubt on the company's ability to continue as a going concern.

PRINCIPAL RISKS AND UNCERTAINTIES

The business of television production is subject to a number of risks. The high-end television industry is a volatile industry susceptible to changes in the global economy, as well as changes in legislation, regulation and government policy which may affect the industry. Any of these may adversely affect consumer demand for television series or the ability to successfully finance or market films.

KEY PERFORMANCE INDICATORS

The company was incorporated solely to produce the television series 'Call The Midwife – Series 3'. Given this and the nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.



P HARRIS
DIRECTOR

04/07/17

CTM Productions Limited

Directors' Report

Year ended 31 December 2016

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

Directors

The directors who served the company during the year were as follows:

N J D Brown
Dame P J O Harris
A McMullen
M J Swerling
V J Turton

Dividends

The directors do not recommend the payment of a dividend.

Future developments

The commercial environment is expected to remain competitive in the coming period.

Financial instruments

The Company's principal financial instruments comprise bank balances, loans, trade creditors and trade debtors. The main purpose of these instruments is to raise funds for the company's operations and to finance the company's operations.

Due to the nature of the financial instruments used by the company, there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a balance sufficient to meet the funds required for the company's operations. The company makes use of money market facilities where funds are available.

Trade debtors are managed in respect of credit and cash flow risk by ensuring that amounts due are received in a timely manner.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Overseas branches

The company was incorporated in the United Kingdom and has no overseas branches.

Disclosure of information in the strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, various matters previously dealt with in the Directors' Report are now included in the Strategic Report.

CTM 3 Productions Limited

Directors' Report *(continued)*

Year ended 31 December 2016

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

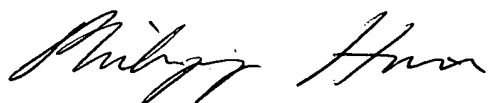
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

Auditor

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

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 04/07/17 and signed on behalf of the board by:



P HARRIS
DIRECTOR

CTM 3 Productions Limited

Independent Auditor's Report to the Members of CTM 3 Productions Limited

Year ended 31 December 2016

We have audited the financial statements of CTM 3 Productions Limited for the year ended 31 December 2016 which comprise the statement of income and retained earnings, statement of financial position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "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 strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

CTM 3 Productions Limited

Independent Auditor's Report to the Members of CTM 3 Productions Limited

(continued)

Year ended 31 December 2016

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.



Stephen Joberns (Senior Statutory Auditor)

For and on behalf of
Shipleys LLP
Chartered accountant & statutory auditor
10 Orange Street
Haymarket
London
WC2H 7DQ

06/07/17

CTM 3 Productions Limited

Statement of Income and Retained Earnings

Year ended 31 December 2016

		Year to 31 Dec 16 £	Period from 1 Apr 15 to 31 Dec 15 £
Turnover	Note 4	278,927	–
Cost of sales		(249,734)	–
Gross profit		<u>29,193</u>	–
Tax on profit	7	(16,715)	–
Profit for the financial year and total comprehensive income		<u>12,478</u>	–
Retained earnings at the start of the year		68,814	68,814
Retained earnings at the end of the year		<u>81,292</u>	<u>68,814</u>

All the activities of the company are from continuing operations.

The notes on pages 8 to 12 form part of these financial statements.

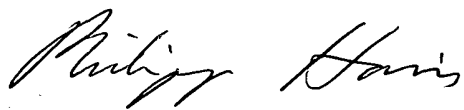
CTM 3 Productions Limited

Statement of Financial Position

31 December 2016

	Note	2016 £	2015 £
Current assets			
Debtors	8	81,393	69,570
Creditors: amounts falling due within one year	9	100	755
Net current assets		<u>81,293</u>	<u>68,815</u>
Total assets less current liabilities		<u>81,293</u>	<u>68,815</u>
Net assets		<u>81,293</u>	<u>68,815</u>
Capital and reserves			
Called up share capital	11	1	1
Profit and loss account	12	<u>81,292</u>	<u>68,814</u>
Members funds		<u>81,293</u>	<u>68,815</u>

These financial statements were approved by the board of directors and authorised for issue on 04/07/17, and are signed on behalf of the board by:



P HARRIS
Director

Company registration number: 08375559

The notes on pages 8 to 12 form part of these financial statements.

CTM 3 Productions Limited

Notes to the Financial Statements

Year ended 31 December 2016

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Berkshire House, 168-173 High Holborn, London, WC1V 7AA, UK.

2. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of CTM 3 Productions Limited for the period ending 31 December 2016 were authorised for issue by the board of directors on 04/07/17 and the balance sheet was signed on the board's behalf by P Harris.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards. The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Neal Street Productions Limited

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial Instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Significant estimation technique adopted

Accruals are estimated by reference to purchase orders raised at the period end and estimates to complete. Payments received on account are estimated by reference to percentage of completion of the television production, as noted in "Turnover" above.

Comparatives

The accounts cover the period from 1 January 2016 to 31 December 2016. The comparatives cover the period from 1 April 2015 to 31 December 2015.

CTM 3 Productions Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

3. Accounting policies *(continued)*

Disclosure exemptions

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

- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - i) the requirements of IAS 7 Statement of Cash Flows
 - ii) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Where required equivalent disclosures are given in the group financial statements of DLG Acquisitions Limited. The group financial statements of DLG Acquisitions are available to the public and can be obtained as set out in note 15.

Revenue recognition

Turnover relates to the exploitation of the television series "Call the Midwife - Series 3". Turnover is recognised when the company receives statements detailing the revenues received in the various territories and mediums, including theatrical, DVD and download to own (DTO), in which the television series is being distributed.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

CTM 3 Productions Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

4. Turnover

Turnover arises from:

	Year to 31 Dec 16 £	Period from 1 Apr 15 to 31 Dec 15 £
Royalties	249,734	—
Sale of losses to group companies	29,193	—
	<u>278,927</u>	<u>—</u>

There is no material difference between the geographical origin and destination of the supply underlying the turnover figure.

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Particulars of employees

The company has been incorporated to produce a film called "Call the Midwife - Series 3". In common with the film and television industry the majority of crew are hired on short term contracts for the duration of principal photography or are self-employed.

6. Auditors remuneration

The audit fee for 31 December 2016 of £2,500 (2015: £4,000) was borne in full by the immediate parent, Neal Street Productions Limited.

7. Tax on profit

Major components of tax expense

	Year to 31 Dec 16 £	Period from 1 Apr 15 to 31 Dec 15 £
Current tax:		
UK current tax expense	12,478	—
Deferred tax:		
Tax losses group relieved	(29,193)	—
Tax on profit	<u>(16,715)</u>	<u>—</u>

CTM 3 Productions Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 20%).

	Year to 31 Dec 16 £	Period from 1 Apr 15 to 31 Dec 15 £
Profit on ordinary activities before taxation	—	—
High-end television tax relief	12,478	—
Tax losses group relieved	(29,193)	—
Total tax charge for the period/year	(16,715)	—

8. Debtors

	2016 £	2015 £
Amounts owed by group undertakings	68,475	39,937
Deferred tax asset	—	29,193
Corporation tax repayable	12,478	—
Other debtors	440	440
	<u>81,393</u>	<u>69,570</u>

9. Creditors: amounts falling due within one year

	2016 £	2015 £
Amounts owed to group undertakings	—	655
Accruals and deferred income	100	100
	<u>100</u>	<u>755</u>

10. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2016 £	2015 £
Included in debtors (note 8)	—	29,193

	Year to 31 Dec 16 £	Period from 1 Apr 15 to 31 Dec 15 £
At beginning of period	29,193	29,193
Tax losses group relieved	(29,193)	—
At end of period	<u>—</u>	<u>29,193</u>

CTM 3 Productions Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

11. Called up share capital

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

12. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

13. Contingent liabilities

Charges have been made against the television series in favour of the following parties to secure their interests in the copyright of and title to the television series:

BBC Worldwide Limited

14. Related party transactions

The company was under the control of Neal Street Productions Ltd throughout the period.

No transactions with related parties were undertaken such as are required to be disclosed as this company has taken advantage of the exemption under the FRS 101 Reduced Disclosure Framework from disclosing transactions entered into between two or more members of a group, where any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

15. Controlling party

In the opinion of the directors the immediate parent undertaking is Neal Street Productions Limited, a company incorporated in England and Wales.

The ultimate parent undertaking is DLG Acquisitions Limited. DLG Acquisitions Limited is the parent undertaking of the smallest and the largest group to consolidate these financial statements. Copies of its group financial statements, which include the company, are available from Berkshire House, 168-173 High Holborn, London, WC1V 7AA. The ultimate controlling parties at the balance sheet date are Liberty Global plc and Discovery Communications Inc., which own LGCI HoldCo I B.V. and Discovery Luxembourg Holdings 1 S.a.r.l. respectively, who are equal joint venture owners of DLG Acquisitions.

CTM 3 Productions Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016
