

OSMOTICA FILMS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

Company Registered Number: 8384060

31 DECEMBER 2016



OSMOTICA FILMS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2016

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OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	O. Fayed C. Feilding Mellen
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Company Secretary	R. Sarayrekh
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Business Address	Suite 36 60 Park Lane London W1K 1QE
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Registered Office	Suite 8 55 Park Lane London W1K 1NA
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DIRECTORS' REPORT

Principal Activity

The principal activity of the company during the period was to negotiate the sale and distribution for its film.

Proposed Dividend

The directors do not recommend the payment of a dividend (2015: nil).

Directors

The Directors who held office during the year were as follows:

O. Fayed
C. Feilding Mellen

Political Contributions

The Company made no political donations nor incurred any political expenditure during the year.

Review of Business

The initial period since formation has been concerned with completing the feature length documentary film, and exploring opportunities for its distribution.

As the feature documentary film is not expected to generate more income in the future the work in progress relating to that has been written off.

In preparing this report the directors have taken advantage of the small company exemptions in Part 15 of the Companies Act 2006.

By order of the Board.

O. Fayed
Director



30th August 2017

Suite 8
55 Park Lane
London
W1K 1NA

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Statement of Director's Responsibilities in respect of the Directors' report and the financial statements

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 applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 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.

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Profit and Loss Account
For the Year Ended 31 December 2016

		2016	2015
	Note	£	£
Turnover	3	235,704	20,676
Cost of Sales		<u>(851,639)</u>	<u>-</u>
Gross Profit		(615,935)	20,676
Administrative expenses		(8,086)	(11,347)
Profit /(loss) on ordinary activities before taxation		<u>(624,201)</u>	<u>9,329</u>
Tax on profit/(loss) on ordinary activities	5	-	-
Profit/(loss) for the financial year	10	<u><u>(624,021)</u></u>	<u><u>9,329</u></u>

The results stated above are all derived from continuing operations.

The notes on pages 6 to 10 are integral to these financial statements.

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Balance Sheet At 31 December 2016

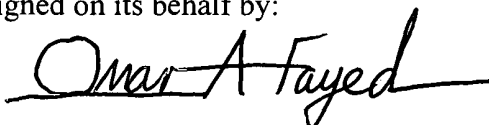
	Note	31/12/16 £	31/12/15 £
Current Assets			
Film WIP	6	0	851,639
Cash at bank		9,947	4,179
Debtors (Amount falling due with one year)	7	30,014	25,484
		<u>39,961</u>	<u>881,302</u>
Creditors: Amounts falling due within one year	8	<u>(689,000)</u>	<u>(906,320)</u>
Net liabilities		<u>(649,039)</u>	<u>(25,018)</u>
Capital and Reserves			
Called up share capital	9	2	2
Profit and loss reserves	10	(649,041)	(25,020)
Shareholders' Funds	11	<u>(649,039)</u>	<u>(25,018)</u>

For the year in question the company was entitled to the exemption under section 477 of the Companies Act 2006. The members have not required the company to obtain an audit of its financial statements for the financial period in question in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records as required by the legislation and complying with the requirements of the Act for the preparation of accounts.

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to companies subject to the small companies regime and with FRS 102, "The Financial Reporting Standard Applicable in the UK and Republic of Ireland".

The financial statements were approved by the board of directors on 30th August 2017 and were signed on its behalf by:

O. Fayed
Director



Company Registered Number: 8384060

The notes on pages 6 to 10 are integral to these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

Basis of preparation

Persephone Picture Company Limited is a company limited by shares and incorporated and domiciled in the UK. The financial statements have been prepared under the historical cost convention in accordance with Financial Reporting Standard 102.

In the transition to Section 1A of FRS 102 from UK Accounting Standards (UK Generally Accepted Accounting Practice), the Company has made measurement and recognition adjustments. An explanation of how the transition to FRS 102 has affected the financial position and financial performance of the Company is provided in note 2.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of FRS 102) and has applied the exemptions available in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the year; and
- Cash Flow Statement and related notes; and
- Key management personnel compensation.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. All the amounts in the financial statements have been rounded to the nearest £.

Going concern

The financial statements have been prepared on the going concern basis, notwithstanding the company's loss for the year of £624,021, (2015: profit £9,329) and net current liabilities of £649,039 (2015: £25,018), which the directors believe to be appropriate for the following reason. The Company is reliant for its working capital on funds provided to it by the Company's ultimate parent undertaking, which has provided the company with an undertaking that it will, for at least 12 months from the date of approval of these financial statements, continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available.

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This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Turnover

Sales of one-off services are recognised when the goods or services supplied have been completed. Amounts due under annually-renewable contracts for a package of services are recognised in equal monthly instalments.

Work in Progress

Film work in progress is calculated as to total production cost less relevant tax credit and is included at the lower of cost and net realisable value.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in period different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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NOTES TO THE FINANCIAL STATEMENTS

2. Explanation of transition to FRS 102 from UK Accounting Standards

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2016, and the comparative information presented in these financial statements for the year ended 31 December 2015. In preparing its FRS 102 balance sheet the Company has no transition adjustments which impact the balance sheet or profit and loss account.

3. Turnover

Turnover derives from one class of activity, production fees for films made in the U.K.

Production Fees are invoiced upon the completion of film projects which have been initiated by the Company and which are available for distribution.

4. Directors' remuneration

No Director received emoluments in the year (2015 : nil)

5. Taxation

No taxation charge has been provided in the accounts, based on the results of the year. The company has estimated losses of £647,841 to carry forward against future trading profits (2015 : £23,820).

6. Film WIP

	2016	2015
	£	£
Total production cost less tax credit	<u>0</u>	<u>851,639</u>

7. Debtors

	31/12/16	31/12/15
	£	£
VAT	300	564
Amounts falling due within one year owing from related party	<u>29,714</u>	<u>24,920</u>
	<u>30,014</u>	<u>25,484</u>

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8 Creditors Amounts falling due within one year

	31/12/16	31/12/15
	£	£
O. Fayed Loan Account	684,150	897,137
Trade Creditors	3,600	2,933
Loan from associated company	0	5,000
Accruals	1,250	1,250
	<u>689,000</u>	<u>906,320</u>

9 Share capital

	31/12/16	31/12/15
Allotted, called up and fully paid:		
	No. £	No. £
Ordinary shares of £1 each	<u>2</u> <u>2</u>	<u>2</u> <u>2</u>

10 Profit and loss reserves

	31/12/16	31/12/15
	£	£
At start of the year	(25,020)	(34,349)
Transfer from profit and loss account for the year	(624,021)	9,329
At end of the year	<u>(649,041)</u>	<u>(25,020)</u>

11 Reconciliation of Shareholders' Funds

	31/12/16	31/12/15
	£	£
At the start of the year	(25,018)	(34,347)
Profit/(Loss) for the year	(624,021)	9,329
At the end of the year	<u>(649,039)</u>	<u>(25,018)</u>

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12. Ultimate Parent Undertaking

The immediate parent undertaking is Persephone Picture Company Ltd, a company registered in England and Wales. By virtue of being a 50% shareholder in the parent undertaking, and being the sole source of finance, Omar Fayed is the ultimate controlling party.

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DETAILED PROFIT AND LOSS ACCOUNT

	Year ended 31/12/16 £	Period ended 31/12/15 £
Sales	235,704	20,676
Cost of Sales	<u>(851,639)</u>	<u>-</u>
Gross Profit	<u>(615,935)</u>	<u>20,676</u>
Expenses:		
Management Fee	3,710	6,112
Professional Fees – Audit	2,350	2,400
Legal Fees	1,677	2,508
Travel and Entertainment	170	255
Bank Charges	112	57
Miscellaneous expenses	13	13
Postage cost	<u>54</u>	<u>2</u>
	<u>8,086</u>	<u>11,347</u>
Profit/Loss before Taxation	<u>(624,021)</u>	<u>9,329</u>