

ACE ENTERTAINMENT FILMS UK LIMITED
UNAUDITED FINANCIAL STATEMENTS
PAGES FOR FILING WITH REGISTRAR
FOR THE YEAR ENDED 31 DECEMBER 2018

ACE ENTERTAINMENT FILMS UK LIMITED

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ACE ENTERTAINMENT FILMS UK LIMITED**BALANCE SHEET
AS AT 31 DECEMBER 2018**

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	4	1,416,016	1,659,425
Tangible assets	5	3,659	5,074
		<u>1,419,675</u>	<u>1,664,499</u>
Current assets			
Debtors: amounts falling due within one year	6	395,323	755,651
Cash at bank and in hand	7	607,299	120,178
		<u>1,002,622</u>	<u>875,829</u>
Creditors: amounts falling due within one year	8	(2,260,268)	(2,792,067)
Net current liabilities		<u>(1,257,646)</u>	<u>(1,916,238)</u>
Net assets/(liabilities)		<u>162,029</u>	<u>(251,739)</u>
Capital and reserves			
Called up share capital	9	200	200
Profit and loss account		161,829	(251,939)
Total shareholders' funds/(deficit)		<u>162,029</u>	<u>(251,739)</u>

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

ACE ENTERTAINMENT FILMS UK LIMITED

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2018

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....
Mr J A Reygner-Kalfon-Ohanessian
Director

Date: 19 July 2019

The notes on pages 3 to 11 form part of these financial statements.

ACE ENTERTAINMENT FILMS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

Ace Entertainment Films UK Limited is a private company limited by shares and is incorporated and domiciled in England and Wales.

The company's registered number is 08821734, the company's registered office is 1st Floor, 7-10 Chandos Street, London, W1G 9DQ and the company's principal place of business is 1st & 2nd Floor, 61 Marloes Road, London, W8 6LE.

The financial statements are presented in Sterling (£).

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements were approved. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2.3 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

ACE ENTERTAINMENT FILMS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Revenue from licencing contracts is recognised on a straight-line basis over the term of the contract.

Revenue not recognised in the profit and loss account under this policy is classified as accrued or deferred income on the balance sheet and recognised as revenue in the period to which it relates.

Revenue on back to back contracts is recognised at the point at which the licence becomes available for use.

2.5 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.6 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.7 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

2.8 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

2.9 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life based upon the licence period.

ACE ENTERTAINMENT FILMS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	25%
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.11 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.14 Financial instruments

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

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 company after deducting all of its liabilities.

ACE ENTERTAINMENT FILMS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

Financial instruments (continued)

The company's policies for its major classes of financial assets and financial liabilities are set out below.

Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances, intercompany working capital balances, and intercompany financing are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Impairment of financial assets

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

ACE ENTERTAINMENT FILMS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

Financial instruments (continued)

Derecognition of financial assets and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

3. Employees

The average monthly number of employees, including directors, during the year was 2 (2017 -2).

ACE ENTERTAINMENT FILMS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

4. Intangible assets

	Licences £
Cost	
At 1 January 2018	1,907,637
Additions	178,511
Disposals	(17,758)
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At 31 December 2018	2,068,390
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Amortisation	
At 1 January 2018	248,212
Charge for the year	192,816
On disposals	(17,758)
Impairment charge	229,104
	<hr/>
At 31 December 2018	652,374
	<hr/>
Net book value	
At 31 December 2018	<u>1,416,016</u>
At 31 December 2017	<u>1,659,425</u>

ACE ENTERTAINMENT FILMS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

5. Tangible fixed assets

	Fixtures and fittings £
Cost or valuation	
At 1 January 2018	8,533
Additions	958
	<hr/>
At 31 December 2018	9,491
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Depreciation	
At 1 January 2018	3,459
Charge for the year on owned assets	2,373
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At 31 December 2018	5,832
	<hr/>
Net book value	
At 31 December 2018	<u>3,659</u>
At 31 December 2017	<u>5,074</u>

6. Debtors

	2018 £	2017 £
Trade debtors	81,143	-
Amounts owed by group undertakings	-	40,102
Amounts owed by joint ventures and associated undertakings	3,072	500
Other debtors	-	6,168
Prepayments and accrued income	311,108	708,881
	<hr/>	<hr/>
	<u>395,323</u>	<u>755,651</u>

ACE ENTERTAINMENT FILMS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

7. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	607,299	120,178
Less: bank overdrafts	-	(4)
	<u>607,299</u>	<u>120,174</u>

8. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank overdrafts	-	4
Other loans	-	81,693
Trade creditors	56,179	3,202
Corporation tax	41,918	-
Other taxation and social security	9,862	5,753
Other creditors	34,981	6,429
Accruals and deferred income	2,117,328	2,694,986
	<u>2,260,268</u>	<u>2,792,067</u>

9. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
200 (2017 - 200) Ordinary shares of £1.00 each	<u>200</u>	<u>200</u>

10. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £1,405 (2017: £130). Contributions totalling £401 (2017: £261) were payable to the fund at the balance sheet date and are included in creditors.

ACE ENTERTAINMENT FILMS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

11. Related party transactions

During the year a director of the company paid expenses of £8,400 (2017: £6,000) on behalf of Ace Entertainment Films UK Limited and was repaid £6,000 (2017: £10,058). As at the balance sheet date the director was owed £nil (2017: £2,400).

As at the year end the company was owed £3,072 (2017: £500) by an associated company.

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