

COMPANY REGISTRATION NUMBER: 10418480

**CTM 7 Productions Limited**  
**Financial Statements**  
**31 October 2017**

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# **CTM 7 Productions Limited**

## **Financial Statements**

**Period from 10 October 2016 to 31 October 2017**

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# **CTM 7 Productions Limited**

## **Strategic Report**

**Period from 10 October 2016 to 31 October 2017**

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### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company during the period was the development and production of high-end television programmes.

During the period the company commenced production of a television series entitled "Call the Midwife - Series 7". The television series was incomplete at the period end but the directors anticipate formal completion and delivery in the forthcoming period.

### **GOING CONCERN**

The directors have undertaken a rigorous assessment of whether the company was a going concern when the accounts were prepared, considering all available information about the future, covering a period of 12 months from the date of the approval of the accounts.

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.

A detailed budget and cashflow have been prepared for the production and delivery of the television series. Funds to meet the cashflow requirements are contractually in place and the directors do not anticipate any material overspend. The directors are therefore satisfied that the going concern assumption remains appropriate.

### **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 7". 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.

This report was approved by the board of directors on 19.12.17 and signed on behalf of the board by:



N J D Brown  
Director

# **CTM 7 Productions Limited**

## **Directors' Report**

### **Period from 10 October 2016 to 31 October 2017**

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The directors present their report and the financial statements of the company for the period ended 31 October 2017.

#### **Incorporation**

The company was incorporated on 10 October 2016 in the United Kingdom.

#### **Directors**

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

N J D Brown	(Appointed 10 October 2016)
Dame P J O Harris	(Appointed 10 October 2016)
A McMullen	(Appointed 10 October 2016)
M J Swerling	(Appointed 10 October 2016)
V J Turton	(Appointed 10 October 2016)

#### **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 7 Productions Limited

## Directors' Report *(continued)*

Period from 10 October 2016 to 31 October 2017

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### 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 period. 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 19/12/17 and signed on behalf of the board by:



N J D Brown  
Director

# **CTM 7 Productions Limited**

## **Independent Auditor's Report to the Members of CTM 7 Productions Limited**

**Period from 10 October 2016 to 31 October 2017**

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### **Opinion**

We have audited the financial statements of CTM 7 Productions Limited for the period ended 31 October 2017 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the related notes, including a summary of significant accounting policies. 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 Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2017 and of its result for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# **CTM 7 Productions Limited**

## **Independent Auditor's Report to the Members of CTM 7 Productions Limited** (continued)

**Period from 10 October 2016 to 31 October 2017**

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### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions 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 period 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.

### **Matters on which we are required to report by exception**

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 material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

# CTM 7 Productions Limited

## Independent Auditor's Report to the Members of CTM 7 Productions Limited (continued)

Period from 10 October 2016 to 31 October 2017

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### Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

# CTM 7 Productions Limited

## Independent Auditor's Report to the Members of CTM 7 Productions Limited (continued)

Period from 10 October 2016 to 31 October 2017

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Stephen Joberns (Senior Statutory Auditor)

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

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20/12/17

# CTM 7 Productions Limited

## Statement of Comprehensive Income

Period from 10 October 2016 to 31 October 2017

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	Note	Period from 10 Oct 16 to 31 Oct 17 £
Turnover	4	–
Cost of sales		–
<b>Gross profit</b>		–
Tax on profit		–

All the activities of the company are from continuing operations.

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The notes on pages 11 to 14 form part of these financial statements.

# CTM 7 Productions Limited

## Statement of Financial Position

31 October 2017

	Note	31 Oct 17 £
<b>Current assets</b>		
Stocks	6	11,120,565
Debtors	7	2,550,131
Cash at bank and in hand		127,610
		<u>13,798,306</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>13,798,305</u>
<b>Net current assets</b>		<u>1</u>
<b>Total assets less current liabilities</b>		<u>1</u>
<b>Net assets</b>		<u>1</u>
<b>Capital and reserves</b>		
Called up share capital	9	<u>1</u>
<b>Members funds</b>		<u>1</u>

These financial statements were approved by the board of directors and authorised for issue on 19/12/17, and are signed on behalf of the board by:



N J D Brown  
Director

Company registration number: 10418480

The notes on pages 11 to 14 form part of these financial statements.

# CTM 7 Productions Limited

## Statement of Changes in Equity

Period from 10 October 2016 to 31 October 2017

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	Called up share capital £	Profit and loss account £	Total £
Profit for the period		—	—
Issue of shares	1	—	1
<b>Total investments by and distributions to owners</b>	<u>1</u>	<u>—</u>	<u>1</u>
<b>At 31 October 2017</b>	<u>1</u>	<u>—</u>	<u>1</u>

The notes on pages 11 to 14 form part of these financial statements.

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# **CTM 7 Productions Limited**

## **Notes to the Financial Statements**

**Period from 10 October 2016 to 31 October 2017**

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### **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 7 Productions Limited for the period ending 31 October 2017 were authorised for issue by the board of directors on ..... and the balance sheet was signed on the board's behalf by N J D Brown.

These financial statements have been prepared in compliance 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.

#### **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:
  - the requirements of IAS 7 Statement of Cash Flows
  - 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 12.

#### **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.

#### **Foreign instruments**

Financial liabilities and equity instruments are classified according to the substance of 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 7 Productions Limited

## Notes to the Financial Statements

Period from 10 October 2016 to 31 October 2017

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### 3. Accounting policies *(continued)*

#### 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.

#### Comparatives

The accounts cover the period from incorporation through to 31 October 2017, hence there are no comparative figures.

The accounting period has been extended to ensure that the accounting period and tax credit claim is conterminous.

#### Revenue recognition

Turnover relates to the production of the television series entitled "Call the Midwife - Series 7". It represents the value of the work done in the period, including estimates of amounts not invoiced and is stated after trade discounts, other taxes and net of VAT.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

#### Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

#### Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

# CTM 7 Productions Limited

## Notes to the Financial Statements

Period from 10 October 2016 to 31 October 2017

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### 3. Accounting policies *(continued)*

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

### 4. Turnover

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 television series called "Call the Midwife - Series 7". 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. Stocks

	31 Oct 17 £
Work in progress	11,120,565

### 7. Debtors

	31 Oct 17 £
VAT recoverable	221,702
Corporation tax recoverable	2,215,766
Other debtors	112,663
	<u>2,550,131</u>

### 8. Creditors: amounts falling due within one year

	31 Oct 17 £
Trade creditors	219,000
Accruals and deferred income	13,195,665
Social security and other taxes	383,640
	<u>13,798,305</u>

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# CTM 7 Productions Limited

## Notes to the Financial Statements

Period from 10 October 2016 to 31 October 2017

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### 9. Called up share capital

Issued, called up and fully paid

	31 Oct 17	
	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>

#### Share movements

	No.	£
Ordinary		
At 10 October 2016	—	—
Issue of shares	<u>1</u>	<u>—</u>
<b>At 31 October 2017</b>	<u><b>1</b></u>	<u><b>—</b></u>

### 10. Reserves

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

### 11. 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.

### 12. 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.