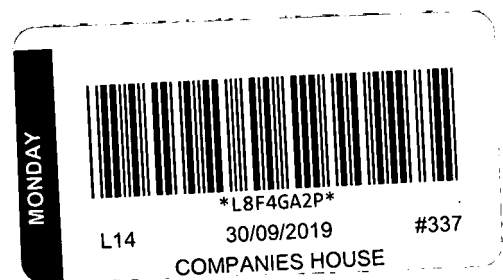

DLT ENTERTAINMENT UK LIMITED

FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 DECEMBER 2018



DLT ENTERTAINMENT UK LIMITED
REGISTERED NUMBER: 01094956

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	4	4,363	341
Investments	5	330,638	291
		<u>335,001</u>	<u>632</u>
Current assets			
Debtors: amounts falling due within one year	6	329,160	372,828
Cash at bank and in hand	7	103,486	301
		<u>432,646</u>	<u>373,129</u>
Creditors: amounts falling due within one year	8	(2,090,083)	(1,193,247)
Net current liabilities		<u>(1,657,437)</u>	<u>(820,118)</u>
Total assets less current liabilities		<u>(1,322,436)</u>	<u>(819,486)</u>
Net liabilities		<u>(1,322,436)</u>	<u>(819,486)</u>
Capital and reserves			
Called up share capital		2	2
Profit and loss account		(1,322,438)	(819,488)
		<u>(1,322,436)</u>	<u>(819,486)</u>

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 income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 September 2019.


D L Taffner Jnr
 Director

The notes on pages 2 to 8 form part of these financial statements.

DLT ENTERTAINMENT UK LIMITED

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

1. General information

DLT Entertainment UK Limited is a private company limited by shares and is incorporated in England and Wales. The address of its registered office is 10 Bedford Square, London WC1B 3RA.

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

At the reporting date the company had net current liabilities of £1,657,514 (2017: £820,118) and net liabilities of £1,322,513 (2017: £819,486) and is reliant on a loan from its parent company, DLT Entertainment Limited (USA) of £1,731,241 (2017: £931,457).

The directors have a reasonable expectation that the company has adequate resources to continue as a going concern. The company has made further acquisitions of talent agencies in view of streamlining costs and broadening the contacts available to the company's clients, which will generate management fees for the company. The company is working with its agency clients to develop ideas and giving the company first refusal as the production company.

The company has incurred a further loss in 2019 and has continued to be financed by the parent company, which has not withdrawn support. Whilst the loans provided are repayable on demand, the parent company has confirmed its intention to continue to support the company for at least the next twelve months from the date of approval of these financial statements. The company is accordingly able to continue in operation and is able to pay its debts as they fall due.

On this basis the directors consider it appropriate to prepare the financial statements on the going concern basis. The Financial Statements do not include any adjustments that would result from the withdrawal of the aforementioned support.

2.3 Exemption from preparing consolidated financial statements

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

DLT ENTERTAINMENT 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 and rebates.

Production fees comprise amounts receivable in respect of the development, filming and editing of television programmes. Production fees are recognised in accordance with the stage of completion as defined in the contracts.

Overheads recoverable and fees comprise amounts charged to television productions for use of the company's assets and for expenditure that the production would ordinarily incur during the course of the production.

Royalties comprise amounts receivable in respect of secondary distribution rights of previously developed television programmes. Royalties are recognised in the period in which the television programme is distributed.

Distribution income comprises amounts receivable from distribution of television productions and is recognised in the period in which the relevant production has been aired or downloaded.

2.5 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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:

Office equipment	-	25% straight line
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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 Income and Retained Earnings.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

DLT ENTERTAINMENT UK LIMITED

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

2. Accounting policies (continued)

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.8 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.

2.9 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans to and from related parties and other creditors.

2.10 Creditors

Short term creditors are measured at the transaction price.

2.11 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 resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings.

2.12 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 Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

DLT ENTERTAINMENT UK LIMITED

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

2. Accounting policies (continued)

2.13 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

3. Employees

The average monthly number of employees, including directors, during the year was 4 (2017 - 4).

4. Tangible fixed assets

	Office Equipment £
Cost or valuation	
At 1 January 2018	23,671
Additions	5,589
At 31 December 2018	<u>29,260</u>
Depreciation	
At 1 January 2018	23,330
Charge for the year on owned assets	1,567
At 31 December 2018	<u>24,897</u>
Net book value	
At 31 December 2018	<u>4,363</u>
At 31 December 2017	<u>341</u>

DLT ENTERTAINMENT UK LIMITED

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

5. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2018	291
Additions	330,348
Disposals	(1)
At 31 December 2018	<u>330,638</u>
Net book value	
At 31 December 2018	<u><u>330,638</u></u>
At 31 December 2017	<u><u>291</u></u>

6. Debtors

	2018 £	2017 £
Trade debtors	121	1,568
Amounts owed by group undertakings	263,218	272,718
Other debtors	58,331	75,045
Prepayments and accrued income	7,490	23,497
	<u>329,160</u>	<u>372,828</u>

7. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	103,486	301
Less: bank overdrafts	(145,195)	(133,286)
	<u>(41,709)</u>	<u>(132,985)</u>

DLT ENTERTAINMENT UK LIMITED

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

8. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank overdrafts	145,195	133,286
Trade creditors	22,657	35,896
Amounts owed to group undertakings	1,749,113	955,265
Other taxation and social security	6,194	7,318
Other creditors	166,924	61,482
	<u>2,090,083</u>	<u>1,193,247</u>

The bank overdraft is secured by way of a first legal charge over the assets of the company and other companies within the group.

9. Pension commitments

The company operates a defined contributions pension scheme. The assets of the schemes are held separately from those of the group in an independently administered funds. The pension cost charge represents contributions payable by the company to the funds. The contributions made during the year amounted to £1,044 (2017 - £574). Contributions totalling £104 (2017 - £437 payable to) was due from the fund at the reporting date and included in creditors.

DLT ENTERTAINMENT UK LIMITED

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

10. Related party transactions

During the year the company received cash funding by way of additional interest free loans totalling £799,784 (2017: £147,785) from DLT Entertainment Limited (USA), the parent company. Turnover includes £Nil (2017: £75,193) received from DLT Entertainment Limited (USA) in respect of contributions towards wages and salaries for certain development projects. The total amount due to DLT Entertainment Limited (USA) at the reporting date was £1,749,043 (2017: £931,457).

During the year recharged expenses, royalties and fees totalling £74,863 (2017: £90,601) were paid to The Theatre of Comedy Company Limited, a fellow subsidiary of DLT Entertainment Limited, the parent company. At the reporting date £Nil (2017: £23,808) was due to The Theatre of Comedy Company Limited.

During the year the company paid service charges of £49,800 (2017: £45,600) to 31 West 56th Street Property Incorporated, a fellow subsidiary of DLT Entertainment Limited (USA), the parent company. At the reporting date the balance due to this company was £Nil (2017: £Nil).

During the year, the company provided loan funding of £42,273 (2017: £74,500) to The Galton Agency Limited, its 90% subsidiary. At the reporting date £151,155 (2017: £108,882) was due from The Galton Agency Limited.

During the year, the company provided loan funding of £10,514 (2017: £20,785) to DLT Entertainment Development Limited, a company in which D L Taffner Jnr and J Cotugno are also directors. At the reporting date £32,871 (2017: £22,357) was due from DLT Entertainment Development Limited.

During the year, the company provided loan funding of £74,090 (2017: £Nil) to Vera Productions Limited, its 100% subsidiary. During the year, fees of £26,835 (2017: £Nil) were received from Vera Productions Limited. At the reporting date £74,090 (2017: £Nil) was due from Vera Productions Limited.

The company is part of a Composite Accounting Agreement with The Theatre of Comedy Company Limited whereby each company has provided a guarantee to the bank, which is authorised to allow setoff for interest purposes and to use credit balances to offset debit balances. A cross guarantee and debenture exists between the two companies and The Theatre of Comedy Company Limited has provided an unlimited guarantee.

11. Controlling party

The immediate and ultimate parent undertaking is DLT Entertainment Limited, a company registered in the United States of America.

The ultimate controlling party is Mr D L Taffner Jnr.

12. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2018 was unqualified.

The audit report was signed on 30 September 2019 by Jennifer Pope (Senior Statutory Auditor) on behalf of Nyman Libson Paul.