
DLT ENTERTAINMENT UK LIMITED

FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 DECEMBER 2017

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DLT ENTERTAINMENT UK LIMITED
REGISTERED NUMBER: 01094956

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

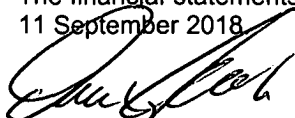
	Note	2017 £	2016 £
Fixed assets			
Tangible assets	4	341	4,258
Investments	5	291	191
		<u>632</u>	<u>4,449</u>
Current assets			
Debtors: amounts falling due within one year	6	372,828	481,010
Cash at bank and in hand	7	301	1,643
		<u>373,129</u>	<u>482,653</u>
Creditors: amounts falling due within one year	8	(1,193,247)	(1,253,511)
Net current liabilities		<u>(820,118)</u>	<u>(770,858)</u>
Total assets less current liabilities		<u>(819,486)</u>	<u>(766,409)</u>
Net liabilities		<u>(819,486)</u>	<u>(766,409)</u>
Capital and reserves			
Called up share capital		2	2
Profit and loss account		(819,488)	(766,411)
		<u>(819,486)</u>	<u>(766,409)</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 11 September 2018.



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 2017

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 £820,118 (2016: £770,858) and net liabilities of £819,486 (2016: £766,409) and is reliant on a loan from its parent company, DLT Entertainment Limited (USA) of £931,457 (2016: £783,672).

The company has continued to incur losses in 2018 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 2017

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 2017

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

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the statement of comprehensive income.

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.

2.13 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

DLT ENTERTAINMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.14 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, 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 UK tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Employees

The average monthly number of employees, including directors, during the year was 4 (2016 - 4).

4. Tangible fixed assets

	Office Equipment £
Cost or valuation	
At 1 January 2017	23,671
At 31 December 2017	23,671
Depreciation	
At 1 January 2017	19,413
Charge for the year on owned assets	3,917
At 31 December 2017	23,330
Net book value	
At 31 December 2017	341
At 31 December 2016	4,258

DLT ENTERTAINMENT UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

5. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2017	191
Additions	100
At 31 December 2017	<u>291</u>
Net book value	
At 31 December 2017	<u>291</u>
At 31 December 2016	<u>191</u>

DLT ENTERTAINMENT UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

6. Debtors

	2017 £	2016 £
Trade debtors	1,568	-
Amounts owed by group undertakings	272,718	426,113
Other debtors	75,045	36,878
Prepayments and accrued income	23,497	18,019
	<u>372,828</u>	<u>481,010</u>

7. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	301	1,643
Less: bank overdrafts	(133,286)	(133,269)
	<u>(132,985)</u>	<u>(131,626)</u>

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank overdrafts	133,286	133,269
Trade creditors	35,896	18,671
Amounts owed to group undertakings	955,265	982,107
Other taxation and social security	7,318	8,939
Other creditors	61,482	110,525
	<u>1,193,247</u>	<u>1,253,511</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 £574 (2016 - £611). Contributions totalling £437 (2016 - £255) were payable to 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 2017

10. Related party transactions

During the year the company received cash funding by way of additional interest free loans totalling £147,785 (2016: £394,944) from DLT Entertainment Limited (USA), the parent company. Turnover includes £75,193 (2016: £77,941) 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 £931,457 (2016: £783,672).

During the year recharged expenses, royalties and fees totalling £90,601 (2016: £80,889) were paid to The Theatre of Comedy Company Limited, a fellow subsidiary of DLT Entertainment Limited, the parent company. At the reporting date £23,808 (2016: £198,435) was due to The Theatre of Comedy Company Limited.

During the year the company paid service charges of £45,600 (2016: £39,245) 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 (2016: £Nil).

During the year the fees of £273,545 (2016: £97,764) received from 8 Bit Productions Limited, its subsidiary. At the reporting date £141,817 (2016: £14,292) was due from 8 Bit Productions Limited.

During the year the fees of £273,545 (2016: £nil) received from 8Bit-DLC Productions Limited, its subsidiary. At the reporting date £13,102 (2016: £nil) was due from 8Bit-DLC Productions Limited.

During the year, the company provided loan funding of £74,500 (2016: £34,382) to The Galton Agency Limited, its 90% subsidiary. At the reporting date £108,882 (2016: £34,382) was due from The Galton Agency Limited.

During the year, the company provided loan funding of £20,785 (2016: £1,572) to DLT Entertainment Development Limited, a company in which D L Taffner Jnr and J Cotugno are also directors. At the reporting date £22,357 (2016: £1,572) was due from DLT Entertainment Development 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 2017 was unqualified.

The audit report was signed on 11 September 2018 by Jennifer Pope (Senior Statutory Auditor) on behalf of Nyman Libson Paul.