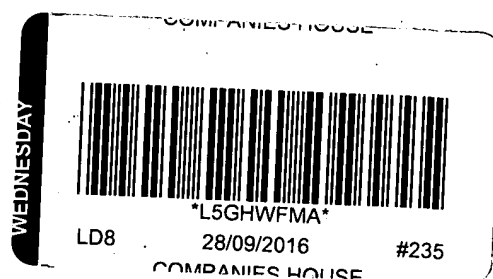


FILM FOUR LIMITED

Directors' report and financial statements

Registered number 3075944

for the year ended 31 December 2015



FILM FOUR LIMITED

Directors' Report and Financial Statements for the year ended 31 December 2015

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Country of incorporation of parent company:

United Kingdom

Registered office and principal place of business:

124 Horseferry Road
London
SW1P 2TX

Legal form:

Limited Company

Registered Number:

3075944

FILM FOUR LIMITED

Directors' Report

for the year ended 31 December 2015

The directors present their report and the financial statements of Film Four Limited (the "Company") for the year ended 31 December 2015.

Ownership

The Company is a wholly owned subsidiary of 4 Ventures Limited, and its ultimate parent is Channel Four Television Corporation (the "Corporation").

Principal activities

The Company distributes film rights through its sales agent, Protagonist Pictures Limited and manages UK distribution rights. 4 Ventures Limited holds a 15% interest in Protagonist Pictures Limited.

Business review

The Company generated revenue of £1.0 million in 2015 (2014: £0.6 million) and made a profit after tax for the year of £0.2 million (2014: £0.1 million).

The directors do not recommend the payment of a dividend (2014: £nil).

The Company has met the small company requirements of the Companies Act 2006 to obtain the exemption provided from the presentation of a strategic report. The results for the year are set out on pages 7 to 13 of these financial statements.

Change in accounting framework

In previous years, the Company has applied previously extant UK accounting standards. The Company continues to apply applicable accounting standards and has adopted FRS 101 *Reduced Disclosure Framework* for the first time this year. The impact of this change is described in note 10.

Directors

The directors who held office during the year and to the date of this report were as follows:

Martin Baker
Glyn Isherwood

All of the directors are employees of the Corporation.

Going concern

As a wholly owned subsidiary of 4 Ventures Limited, the Company has support and resources such that the directors believe that the Company is well placed to manage its business risks successfully.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and thus they continue to adopt the going concern basis in preparing the annual financial statements.

Employees

The Company has no employees (2014: none). Its activities are carried out by employees of the Corporation.

FILM FOUR LIMITED

Directors' Report

for the year ended 31 December 2015 (*continued*)

Disclosure of information to the auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he and she ought to have taken as a director to make himself and herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor was deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board

A handwritten signature in black ink, appearing to be 'MB', written over a horizontal line.

Martin Baker

Director

26 September 2016

Statement of Directors' Responsibilities
for the year ended 31 December 2015

Statement of directors' 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 UK law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), including FRS 101 *Reduced Disclosure Framework* (FRS 101) 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 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

FILM FOUR LIMITED

Independent Auditor's Report to the Directors of Film Four Limited

We have audited the financial statements of Film Four Limited for the year ended 31 December 2015 set out on pages 7 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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; or the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



27 September 2016

Karen Wightman

(Senior Statutory Auditor)
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL

FILM FOUR LIMITED**Statement of Comprehensive Income**
for the year ended 31 December 2015

	Note	2015 £m	2014 £m
Turnover	2	1.0	0.6
Cost of transmission and sales		<u>(0.8)</u>	<u>(0.5)</u>
Gross profit		<u>0.2</u>	<u>0.1</u>
Profit on ordinary activities before taxation		0.2	0.1
Tax on profit on ordinary activities	5	<u>-</u>	<u>-</u>
Profit for the financial year		0.2	0.1
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>0.2</u>	<u>0.1</u>

All recognised gains and losses are included in the profit and loss account.

All results relate to continuing operations.

The notes on pages 10 to 13 form part of these financial statements.

FILM FOUR LIMITED**Balance Sheet**
as at 31 December 2015

	Note	2015 £m	2014 £m
Current assets			
Debtors	6	<u>5.1</u>	<u>4.7</u>
Creditors: amounts falling due within one year	7	<u>(0.8)</u>	<u>(0.6)</u>
Net current assets		<u>4.3</u>	<u>4.1</u>
Net assets		<u>4.3</u>	<u>4.1</u>
Capital and reserves			
Share capital	8	-	-
Retained earnings		<u>4.3</u>	<u>4.1</u>
Shareholders' funds		<u>4.3</u>	<u>4.1</u>

These financial statements were approved and authorised for issue by the Board of Directors on 26 September 2016 and were signed on its behalf by:



Glyn Isherwood
Director

FILM FOUR LIMITED**Statement of Changes in Equity**
for the year ended 31 December 2015

	Share capital £m	Retained earnings £m	Total £m
At 1 January 2014	-	4.0	4.0
Profit for the year	-	0.1	0.1
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	0.1	0.1
At 31 December 2014	-	4.1	4.1
At 1 January 2015	-	4.1	4.1
Profit for the year	-	0.2	0.2
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	0.2	0.2
At 31 December 2015	-	4.3	4.3

The notes on pages 10 to 13 form part of these financial statements.

1. Significant accounting policies

Basis of preparation

Film Four Limited (the "Company") is a company incorporated and domiciled in the UK.

The financial statements have been prepared in accordance with Financial Reporting Standard 100 *Application of Financial Reporting Requirements* and Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101) under the historical cost and going concern conventions. The policies have been consistently applied to all the years presented, unless otherwise stated. The Company has transitioned to FRS 101 from previously extant UK Generally Accepted Accounting Practice for all years presented.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted EU IFRS"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken. The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Disclosure exemptions adopted

In preparing these financial statements the company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- certain comparative information as otherwise required by EU endorsed IFRS;
- certain disclosures regarding the company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the group headed by the Corporation.

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of the Corporation. These financial statements do not include certain disclosures in respect of:

- financial Instruments (other than certain disclosures required as a result of recording financial instruments at fair value)

Revenue recognition

Turnover represents income receivable from the exploitation of film rights and is stated net of value added tax. Turnover is recognised when it can be reliably measured. In practice this does not occur until the Company is provided with a statement from a distributor.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

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.

Notes to the financial statements
for the year ended 31 December 2015 (*continued*)

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

2. Analysis of turnover

Turnover arises principally from the sale of film rights and international programme rights. The geographical analysis by destination of turnover is as follows:

	2015 £m	2014 £m
United Kingdom	0.1	0.1
North America	0.5	0.3
Rest of Europe	0.4	0.2
	<u>1.0</u>	<u>0.6</u>

3. Auditor's remuneration

	2015 £000	2014 £000
Audit of these financial statements	<u>5</u>	<u>5</u>

No fees are paid to the Company's auditor and its associates for services other than the statutory audit of the Company's financial statements.

Notes to the financial statements
for the year ended 31 December 2015 (*continued*)

4. Remuneration of directors

The directors and staff of the Company are employees of, and remunerated by, the Corporation. No amounts were paid to the directors of the Company for services to the Company (2014: £nil). No retirement benefits were accrued to directors for services to the Company.

5. Taxation

Analysis of charge in the year

	2015 £m	2014 £m
Total tax	-	-

Factors affecting the tax charge for the year

The total tax charge for the year is lower (2014: lower) than the standard rate of corporation tax in the UK of 20.25% (2014: 21.5%). The differences are as follows:

	2015 £m	2014 £m
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	<u>0.2</u>	<u>0.1</u>
Current tax at 20.25% (2014: 21.5%)	-	-
<i>Effects of:</i>		
Non-taxable income	<u>-</u>	<u>-</u>
Total tax on profit on ordinary activities	<u>-</u>	<u>-</u>

6. Debtors

	2015 £m	2014 £m
Amounts due from group undertakings	5.0	4.7
Trade debtors	<u>0.1</u>	<u>-</u>
	<u>5.1</u>	<u>4.7</u>

7. Creditors: amounts falling due within one year

	2015 £m	2014 £m
Accruals and deferred income	0.7	0.5
Other creditors	<u>0.1</u>	<u>0.1</u>
	<u>0.8</u>	<u>0.6</u>

Notes to the financial statements
for the year ended 31 December 2015 (continued)

8. Share capital

	2015 £	2014 £
<i>Allotted, called up and fully paid</i>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

9. Ultimate parent company and group undertaking

Channel Four Television Corporation, a statutory company domiciled in the United Kingdom, is the ultimate parent and controlling party. The consolidated financial statements of the Corporation are available to the public and may be obtained from the Board Secretary, Channel Four Television Corporation, 124 Horseferry Road, London SW1P 2TX.

The largest and smallest group in which the results of the Company are consolidated is that headed by the Corporation.

4 Ventures Limited is the Company's immediate parent undertaking

10. First time adoption of FRS 101 Reduced Disclosure Framework

For all periods up to and including the year ended 31 December 2014, the Company prepared its financial statements in accordance with previously extant United Kingdom generally accepted accounting practice (UK GAAP). These financial statements, for the year ended 31 December 2015, are the first the Company has prepared in accordance with FRS 101.

Accordingly, the Company has prepared individual financial statements which comply with FRS 101 applicable for periods beginning on or after 1 January 2014 and the significant accounting policies meeting those requirements are described in the relevant notes.

In preparing these financial statements, the Company has started from an opening balance sheet as at 1 January 2014, the Company's date of transition to FRS101, and made those changes in accounting policies and other restatements required for the first-time adoption of FRS 101. Other than the adoption of the reduced disclosures there was no material effect of applying FRS 101 for the first time. The disclosure exemptions adopted are included in note 1 to the financial statements.

In applying FRS 101 for the first time the company has made the election not to restate any business combinations that occurred before the date of transition to FRS 101.

On transition to FRS 101, the company has applied the requirements of paragraphs 6-33 of IFRS 1 "First time adoption of International Financial Reporting Standards".