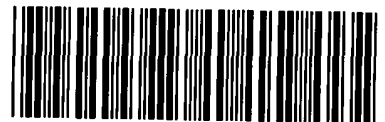


Company Registration No. 07573638 (England and Wales)

The Imaginarium Studios Limited

**Annual report and financial statements
for the year ended 31 March 2016**

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COMPANIES HOUSE

The Imaginarium Studios Limited

Company information

Directors	Jonathan Cavendish	
	Andrew Serkis	
	Patrick Boyle	
	Michael Lake	(Appointed 18 June 2015)
	Malcolm Wall	(Appointed 1 January 2016)
	Javier Santiso	(Appointed 27 April 2016)

Company number	07573638
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Registered office	71 Queen Victoria Street London EC4V 4BE
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Independent auditors	Saffery Champness 71 Queen Victoria Street London EC4V 4BE
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The Imaginarium Studios Limited

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The Imaginarium Studios Limited

Directors' report For the year ended 31 March 2016

The directors present their annual report and financial statements for the year ended 31 March 2016.

Principal activities

The principal activity of the company continued to be that of provision of consultancy and motion capture services to producers of audio-visual content for multiplatform use.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

John Booth	(Resigned 30 November 2015)
Jonathan Cavendish	
Andrew Serkis	
Anthony Orsten	(Resigned 16 November 2016)
Patrick Boyle	
Bee Quah	(Appointed 18 June 2015 and resigned 27 April 2016)
Michael Lake	(Appointed 18 June 2015)
Malcolm Wall	(Appointed 1 January 2016)
Javier Santiso	(Appointed 27 April 2016)

Auditor

Saffery Champness have expressed their willingness to continue in office.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. 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 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 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.

The Imaginarium Studios Limited

Directors' report (continued)

For the year ended 31 March 2016

Statement of disclosure to auditor

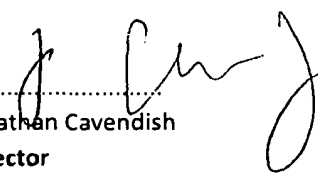
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Going concern considerations

The company is in the process of securing further investment. It has received some monies post year end from investors which indicates continuing intention to support the company. The company is also in the process of negotiating commercial arrangements with customers and other industry parties which may yield additional working capital from trading arrangements. If investment is not procured or the trading arrangements do not yield additional working capital, the company may be forced to cease trading within the next 12 months. The directors of the company are confident however that their work in securing these arrangements will come to fruition and sufficient cash will be generated for the company to continue trading as normal.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board


.....
Jonathan Cavendish

Director

27.12.17

The Imaginarium Studios Limited

Independent auditors' report

To the members of The Imaginarium Studios Limited

We have audited the financial statements of The Imaginarium Studios Limited for the year ended 31 March 2016 set out on pages 5 to 27. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditors' 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 pages 1 - 2, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Basis for disclaimer of opinion on financial statements

The company has insufficient liquidity to cover its anticipated cash outflows for the 12 months subsequent to the date of the signing of the audit report. The company has been unable to obtain further investment or financing though this process remains ongoing. This situation indicates the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern and therefore the company may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements contain disclosures at note 1.2. We have been unable to obtain sufficient audit evidence in respect of the company's ability to secure the arrangements mentioned to support a going concern assessment.

Disclaimer of opinion on financial statements

Because of the significance of the matter described in the Basis of Disclaimer of Opinion on Financial Statements paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly we do not express an opinion on the financial statements.

The Imaginarium Studios Limited

Independent auditors' report (continued)

To the members of The Imaginarium Studios Limited

Opinion on other matters prescribed by the Companies Act 2006

Notwithstanding our disclaimer of opinion on the financial statements, in our opinion, based on the work undertaken in the course of our audit, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Directors' Report has been prepared in accordance with applicable legal requirements.

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 any material misstatements in the Directors' Report.

Matters on which we are required to report by exception

Arising from the limitation of our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we are unable to determine whether adequate accounting records have been kept in respect of the directors' assessment of going concern.

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:

- 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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



John Graydon (Senior Statutory Auditor)
for and on behalf of Saffery Champness

27/2/17

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

The Imaginarium Studios Limited

**Statement of comprehensive income
For the year ended 31 March 2016**

		2016	2015
	Notes	£	£
Turnover	2	3,771,016	2,286,573
Cost of sales		(2,221,328)	(613,191)
Gross profit		<u>1,549,688</u>	<u>1,673,382</u>
Administrative expenses		(4,715,788)	(2,810,259)
Operating loss	3	<u>(3,166,100)</u>	<u>(1,136,877)</u>
Interest receivable and similar income		217,375	190
Interest payable and similar expenses		(151,249)	(137,281)
Loss before taxation		<u>(3,099,974)</u>	<u>(1,273,968)</u>
Taxation		92,428	-
Loss for the financial year		<u><u>(3,007,546)</u></u>	<u><u>(1,273,968)</u></u>

The Imaginarium Studios Limited

Balance sheet

As at 31 March 2016

	Notes	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	6		390,478		293,330
Investments	7		6		5
			<u>390,484</u>		<u>293,335</u>
Current assets					
Debtors	9	1,384,616		229,881	
Cash at bank and in hand		3,029,975		343,571	
		<u>4,414,591</u>		<u>573,452</u>	
Creditors: amounts falling due within one year	10	(4,090,633)		(2,687,034)	
Net current assets/(liabilities)			<u>323,958</u>		<u>(2,113,582)</u>
Total assets less current liabilities			<u>714,442</u>		<u>(1,820,247)</u>
Creditors: amounts falling due after more than one year	11	(1,697,204)			-
Net liabilities			<u>(982,762)</u>		<u>(1,820,247)</u>
Capital and reserves					
Called up share capital	12		1,151		974
Share premium account			8,326,400		4,481,546
Share options reserves			78,445		78,445
Profit and loss reserves			(9,388,758)		(6,381,212)
Total equity			<u>(982,762)</u>		<u>(1,820,247)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The Imaginarium Studios Limited

Balance sheet (continued)

As at 31 March 2016

The financial statements were approved by the board of directors and authorised for issue on 23.12.13 and are signed on its behalf by:

.....
Jonathan Cavendish
Director

Company Registration No. 07573638

The Imaginarium Studios Limited

**Statement of changes in equity
For the year ended 31 March 2016**

		Share capital	Share premium account	Share options reserves	Profit and loss reserves	Total
	Notes	£	£	£	£	£
Balance at 1 April 2014		974	4,481,546	-	(5,107,244)	(624,724)
Year ended 31 March 2015:						
Loss and total comprehensive income for the year		-	-	-	(1,273,968)	(1,273,968)
Issue of share options		-	-	78,445	-	78,445
Balance at 31 March 2015		974	4,481,546	78,445	(6,381,212)	(1,820,247)
Year ended 31 March 2016:						
Loss and total comprehensive income for the year		-	-	-	(3,007,546)	(3,007,546)
Issue of share capital	12	177	3,844,854	-	-	3,845,031
Balance at 31 March 2016		1,151	8,326,400	78,445	(9,388,758)	(982,762)

The Imaginarium Studios Limited

Notes to the financial statements For the year ended 31 March 2016

1 Accounting policies

Company information

The Imaginarium Studios Limited is a private company limited by shares incorporated in England and Wales. The registered office is 71 Queen Victoria Street, London, EC4V 4BE.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2016 are the first financial statements of The Imaginarium Studios Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

The company is in the process of securing further investment. It has received some monies post year end from investors which indicates continuing intention to support the company. The company is also in the process of negotiating commercial arrangements with customers and other industry parties which may yield additional working capital from trading arrangements. If investment is not procured or the trading arrangements do not yield additional working capital, the company may be forced to cease trading within the next 12 months. The directors of the company are confident however that their work in securing these arrangements will come to fruition and sufficient cash will be generated for the company to continue trading as normal.

The Imaginarium Studios Limited

Notes to the financial statements (continued) For the year ended 31 March 2016

1 Accounting policies (continued)

1.3 Turnover

The turnover shown in the profit and loss account represents amounts receivable for services provided during the year, exclusive of Value Added Tax. Revenue is recognised on motion capture work carried out in the year.

Where a contract is not completed at the year end, the amount of revenue recognised in the current year is based on the completion of the stages of the project deliverables. Turnover is recognised when deliverables per the contract are met and the revenue is receivable.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Equipment	Straight line 33.3%
-----------	---------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

The Imaginarium Studios Limited

Notes to the financial statements (continued) For the year ended 31 March 2016

1 Accounting policies (continued)

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1 Accounting policies (continued)

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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.

1 Accounting policies (continued)

Basic 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as 'creditors: amounts falling due within one year' if payment is due within one year or less. If not, they are presented as 'creditors: amounts falling due after more than one year'. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through profit or loss.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense or recoverable represents the sum of the tax currently payable or receivable and deferred tax.

1 Accounting policies (continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

The Imaginarium Studios Limited

Notes to the financial statements (continued) For the year ended 31 March 2016

1 Accounting policies (continued)

1.12 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016	2015
	£	£
Turnover	3,771,016	2,286,573
	<u> </u>	<u> </u>
Other significant revenue		
Interest receivable and similar income	217,375	190
	<u> </u>	<u> </u>

The Imaginarium Studios Limited

Notes to the financial statements (continued)
For the year ended 31 March 2016

2 Turnover and other revenue (continued)

Turnover analysed by geographical market

	2016	2015
	£	£
United Kingdom	2,994,470	2,018,213
Europe	619,216	169,518
Rest of world	157,330	98,842
	<u>3,771,016</u>	<u>2,286,573</u>

3 Operating loss

	2016	2015
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange gains	-	(8,326)
Fees payable to the company's auditor for the audit of the company's financial statements	8,500	10,151
Depreciation of owned tangible fixed assets	221,328	350,663
Share-based payments	-	78,445
Operating lease charges	256,415	163,547
	<u>285,243</u>	<u>531,480</u>

4 Directors' remuneration

	2016	2015
	£	£
Remuneration paid to directors	<u>203,832</u>	<u>334,500</u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2016	2015
	Number	Number
Total	<u>53</u>	<u>33</u>

The Imaginarium Studios Limited

Notes to the financial statements (continued)
For the year ended 31 March 2016

5 Employees (continued)

Their aggregate remuneration comprised:

	2016	2015
	£	£
Wages and salaries	2,356,324	1,486,701
Social security costs	259,708	142,937
	<u>2,616,032</u>	<u>1,629,638</u>

6 Tangible fixed assets

	Equipment
	£
Cost	
At 1 April 2015	1,420,412
Additions	318,476
At 31 March 2016	<u>1,738,888</u>
Depreciation and impairment	
At 1 April 2015	1,127,082
Depreciation charged in the year	221,328
At 31 March 2016	<u>1,348,410</u>
Carrying amount	
At 31 March 2016	<u>390,478</u>
At 31 March 2015	<u>293,330</u>

7 Fixed asset investments

	Notes	2016	2015
		£	£
Investments in subsidiaries	8	<u>6</u>	<u>5</u>

The Imaginarium Studios Limited

Notes to the financial statements (continued)
For the year ended 31 March 2016

7 Fixed asset investments (continued)

Movements in fixed asset investments

	Shares in group undertakings
	£
Cost or valuation	
At 1 April 2015	5
Additions	171,111
	<hr/>
At 31 March 2016	171,116
	<hr/>
Impairment	
At 1 April 2015	-
Impairment losses	171,110
	<hr/>
At 31 March 2016	171,110
	<hr/>
Carrying amount	
At 31 March 2016	6
	<hr/>
At 31 March 2015	5
	<hr/>

On 1 October 2015 The Imaginarium Studios Limited incorporated and acquired 100% of the £1 share capital of Scribe Productions Limited at par.

On 12 November 2015 The Imaginarium Studios Limited incorporated and acquired 100% of the £171,110 share capital of The Imaginarium Studios Asia Pacific Sdn. Bhd. at par. This was fully impaired during the year.

The Imaginarium Studios Limited

Notes to the financial statements (continued) For the year ended 31 March 2016

8 Subsidiaries

Under the provision of section 399 of the Companies Act 2006 the company is exempt from preparing consolidated financial statements and has not done so, therefore the financial statements show information about the company as an individual entity.

Details of the company's subsidiaries at 31 March 2016 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business	Class of shareholding	% Held	
				Direct	Indirect
Fungus TV Productions Limited	United Kingdom	TV project development	Ordinary		100.00
Mildew Productions Limited (as at 31 January 2016)	United Kingdom	TV project development	Ordinary		100.00
Imaginarium TV Limited	United Kingdom	TV project development	Ordinary	100.00	
Caveman Films Holdings Limited	United Kingdom	Film project development	Ordinary	100.00	
Imaginarium Productions Limited	United Kingdom	Film project development	Ordinary	100.00	
Animal Farm Films Limited	United Kingdom	Film project development	Ordinary		100.00
Breathe Films Limited	United Kingdom	Film project development	Ordinary		100.00
The Imaginarium Studios Asia Pacific Sdn. Bhd.	Malaysia	Film project development	Ordinary	100.00	
Scribe Productions Limited	United Kingdom	Media development	Ordinary	100.00	

The Imaginarium Studios Limited

Notes to the financial statements (continued) For the year ended 31 March 2016

8 Subsidiaries (continued)

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Fungus TV Productions Limited	95,017	(1,801)
Mildew Productions Limited (as at 31 January 2016)	4,861	14,730
Imaginarium TV Limited	(7,041)	(10,260)
Caveman Films Holdings Limited	(17,015)	(1,389,237)
Imaginarium Productions Limited	(3,772)	(6,718)
Animal Farm Films Limited	(42,950)	(347,480)
Breathe Films Limited	(3,144)	(5,028)
The Imaginarium Studios Asia Pacific Sdn. Bhd.	(76,765)	94,335
Scribe Productions Limited	1	-

The investments in subsidiaries are all stated at cost less impairment.

9 Debtors

	2016	2015
	£	£
Amounts falling due within one year:		
Trade debtors	332,340	32,736
Corporation tax recoverable	75,087	-
Amounts due from fellow group undertakings	54,902	35,813
Other debtors	271,201	32,500
Prepayments and accrued income	651,086	128,832
	<u>1,384,616</u>	<u>229,881</u>

The Imaginarium Studios Limited

Notes to the financial statements (continued)
For the year ended 31 March 2016

10 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £
Other borrowings		-	1,377,707
Trade creditors		500,376	204,694
Other taxation and social security		-	92,177
Other creditors		3,422,110	924,694
Accruals and deferred income		168,147	87,762
		<u>4,090,633</u>	<u>2,687,034</u>

11 Creditors: amounts falling due after more than one year

		2016 £	2015 £
Other creditors		<u>1,697,204</u>	<u>-</u>

The long-term loans are unsecured.

12 Called up share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
99,100 Ordinary shares of 1p each	991	974
15,999 Enhanced shares of 1p each	160	-
	<u>1,151</u>	<u>974</u>

A description of the voting rights attached to each class of shares can be found in the Articles of Association.

The Imaginarium Studios Limited

Notes to the financial statements (continued)
For the year ended 31 March 2016

12 Called up share capital (continued)

Reconciliation of movements during the year:

	Ordinary Number	Enhanced Number
At 1 April 2015	97,409	-
Issue of fully paid shares	1,696	15,999
At 31 March 2016	<u>99,105</u>	<u>15,999</u>

During the year the company issued 1,696 new ordinary shares for a total consideration of £261,278 and 15,999 enhanced ordinary shares for a total consideration of £3,583,753.

The Imaginarium Studios Limited

**Notes to the financial statements (continued)
For the year ended 31 March 2016**

13 Share-based payment transactions

	Number of share options		Weighted average exercise price	
	2016 Number	2015 Number	2016 £	2015 £
Outstanding at 1 April 2015 and 31 March 2016	1,904	1,904	37.45	37.45
Exercisable at 31 March 2016	1,904	1,904	37.45	37.45

The options outstanding at 31 March 2016 had an exercise price of £37.45 and a weighted average remaining contractual life of 8.75 years.

During the year, the company recognised total share-based payment expenses of £- (2015 - £78,445) which related to equity settled share based payment transactions.

14 Events after the reporting date

On 2 November 2016, 951 ordinary shares were issued for a consideration of £108.34 per share, totalling a consideration of £103,031.

On 2 November 2016, 13,252 ordinary shares were issued for a consideration of £224.006307 per share, totalling a consideration of £2,968,532.

The Imaginarium Studios Limited

Notes to the financial statements (continued) For the year ended 31 March 2016

15 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £	2015 £
Within one year	277,903	158,935
Between two and five years	232,982	-
	<u>510,885</u>	<u>158,935</u>

16 Related party transactions

Transactions with related parties

The company has taken advantage of the exemption available under paragraph 33.1(a) of FRS 102 from disclosing transactions entered into between two or more members of a group, where any subsidiary undertaking which is a party to the transaction is a wholly owned member of that group.

During the year, The Imaginarium Studios Limited was involved in the following related party transactions:

Maintel Voice and Data Limited

	2016 £	2015 £
Balance at 1 April 2015	363	83
Amounts invoiced by Maintel Voice and Data Limited	1,705	3,925
Amounts paid to Maintel Voice and Data Limited	(2,068)	(3,645)
Balance carried forward at 31 March 2016	<u>-</u>	<u>363</u>

J Booth, a director of Maintel Voice and Data Limited, was a director and shareholder of The Imaginarium Studios Limited during the year.

The Imaginarium Studios Limited

Notes to the financial statements (continued)
For the year ended 31 March 2016

16 Related party transactions (continued)

HIML Holdings Limited

	2016	2015
	£	£
Balance at 1 April 2015	1,377,707	1,274,680
Amounts loaned by HIML Holdings Limited	-	-
Interest accrued on loan at 8% per annum	103,303	103,027
Interest converted to share capital	(103,029)	-
Balance carried forward at 31 March 2016	<u>1,377,981</u>	<u>1,377,707</u>

The above balance is included in Other Creditors in Note 10 at its present value of £1,220,474.

Subject to shareholder approval, the interest accrued on the loan will be converted to ordinary shares.

J Booth, a director of HIML Holdings Limited, was a director and shareholder of The Imaginarium Studios Limited during the year.

A Serkis

	2016	2015
	£	£
Balance at 1 April 2015	(279,353)	(193,226)
Fees payable to A Serkis in the year	-	(82,500)
Fees paid to A Serkis in the year	175,500	-
Interest accrued at 10% on loan to The Imaginarium Studios Limited	-	(3,627)
Liability converted to share capital	104,124	-
Balance carried forward at 31 March 2016	<u>271</u>	<u>(279,353)</u>

The above balance is included in Other Debtors in Note 9.

A Serkis is a director and shareholder of The Imaginarium Studios Limited.

The Imaginarium Studios Limited

Notes to the financial statements (continued)
For the year ended 31 March 2016

16 Related party transactions (continued)

J Cavendish

	2016	2015
	£	£
Balance at 1 April 2015	(275,432)	(260,529)
Fees payable to J Cavendish in the year	(277,937)	(82,500)
Fees paid to J Cavendish in the year	365,520	82,500
Interest accrued at 10% on loan to The Imaginarium Studios Limited	(10,028)	(14,903)
Liability converted to share capital	54,124	-
Balance carried forward at 31 March 2016	<u>(143,753)</u>	<u>(275,432)</u>

The above balance is included in Other Creditors in Note 10.

Subject to shareholder approval, the interest accrued on the outstanding £150,000 loan will be converted to ordinary shares.

J Cavendish is a director and shareholder of The Imaginarium Studios Limited.

J Booth

	2016	2015
	£	£
Balance at 1 April 2015	(105,279)	(100,000)
Interest accrued at 10% on loan to The Imaginarium Studios Limited	(10,027)	(5,293)
Balance carried forward at 31 March 2016	<u>(115,306)</u>	<u>(105,293)</u>

The above balance is included in Other Creditors in Note 10 at its present value of £84,637.

J Booth was a director and shareholder of The Imaginarium Studios Limited.

The Imaginarium Studios Limited

Notes to the financial statements (continued)
For the year ended 31 March 2016

16 Related party transactions (continued)

P Boyle

	2016	2015
	£	£
Balance at 1 April 2015	(105,293)	(100,000)
Interest accrued at 10% on loan to The Imaginarium Studios Limited	(10,027)	(5,293)
Balance carried forward at 31 March 2016	<u>(115,320)</u>	<u>(105,293)</u>

The above balance is included in Other Creditors in Note 10 at its present value of £84,637.

P Boyle is a director and shareholder of The Imaginarium Studios Limited.

17 Controlling party

The directors do not consider there to be an ultimate controlling party.