

IMAGINATION MIDDLE EAST LIMITED
REPORT AND FINANCIAL STATEMENTS
31 August 2017



IMAGINATION MIDDLE EAST LIMITED
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**IMAGINATION MIDDLE EAST LIMITED
OFFICERS AND PROFESSIONAL ADVISORS**

DIRECTORS

R M Adams
P S P Reid

SECRETARY

R F King

REGISTERED OFFICE

25 Store Street
South Crescent
London
WC1E 7BL

REGISTERED NUMBER

8524443

AUDITOR

BDO LLP
55 Baker Street
London

IMAGINATION MIDDLE EAST LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2017

8524443

	Note	<u>2017</u> £'000	<u>2016</u> £'000
CURRENT ASSETS			
Debtors	6	1,065	833
Cash at bank and in hand		200	443
		<u>1,265</u>	<u>1,276</u>
CREDITORS			
Amounts falling due within one year	7	<u>(818)</u>	<u>(370)</u>
NET CURRENT ASSETS		<u>447</u>	<u>906</u>
NET ASSETS		<u>447</u>	<u>906</u>
CAPITAL AND RESERVES			
Called up share capital	8	-	-
Profit and loss account		<u>447</u>	<u>906</u>
EQUITY SHAREHOLDERS' FUNDS		<u>447</u>	<u>906</u>

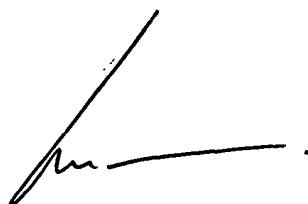
The notes on pages 8 to 11 form part of these financial statements.

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

The company's annual accounts and reports have been delivered to the registrar in accordance with the provisions of the Companies Act 2006 applicable to companies subject to the small companies regime. A copy of the company's profit and loss account has not been delivered to the registrar of companies.

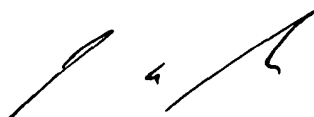
The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 January 2018.

R M ADAMS



Director

P S P REID



Director

**IMAGINATION MIDDLE EAST LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES

(a) Accounting convention

Imagination Middle East Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the group's operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS 102 section 1A Small Entities, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 section 1A Small Entities requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies.

The following principal accounting policies have been applied:

(b) Cash flow statements

The company qualifies under FRS 102 paragraph 1A.7 for exemption from preparing a cash flow statement as it is a subsidiary undertaking within the group and that it is included within the group's consolidated financial statements which are publicly available on Companies House.

(c) Turnover

Turnover represents the invoiced amount of services provided, stated net of sales and value added tax and includes, in relation to long term contracts, the appropriate proportion of the total value of the contract so as to reflect the value of work completed in the year on those contracts.

(d) Work in Progress and revenue recognition

In accordance with the provisions of FRS102 paragraph 23, profits on long term contracts have been included in the accounts. In order to recognise these profits, an appropriate proportion of total contract value has been included in turnover and the related costs have been included in cost of sales. The amount that turnover, on these contracts, exceeds payments on account has been included within debtors as amounts recoverable on contracts. Where the amounts invoiced exceed the amount of work completed, the excess is included in the creditors and shown as work in progress – billed in advance.

(e) Foreign currency

The results of overseas operations are measured using the currency of the primary economic environment in which the entity operates (functional currency). The results are translated into sterling at the rates ruling at the balance sheet date (presentation currency). Exchange differences which arise from translation of the opening net assets are taken to reserves.

Foreign currency monetary assets and liabilities have been translated into sterling at the rates ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate of exchange ruling at the transaction date. All settlement differences are taken to the statement of comprehensive income.

(f) 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 from banks and other third parties, loans to and from related parties and accrued expenses.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other debtors and creditors, are initially measured at present value of the future cashflows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors or creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

**IMAGINATION MIDDLE EAST LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

(f) Financial Instruments continued...

Financial assets measured at cost and amortised cost, are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, impairment loss is recognised in the income statement.

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is an 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.

2. PROFIT ON ORDINARY ACTIVITIES

	<u>2017</u> £'000	<u>2016</u> £'000
The profit on ordinary activities before taxation is stated after charging:		
Operating Lease Rentals	78	63
Loss on foreign exchange	16	16

The audit fee has been settled by the parent company.

3. DIRECTORS' REMUNERATION

There are 2 directors of the company, both of whom are employed and their emoluments settled by the parent and the ultimate parent company.

4. EMPLOYEES

The employees of Imagination Middle East Limited are employed and paid for by the ultimate parent undertaking, The Imagination Group Limited. The cost of their remuneration is recharged directly to the company by The Imagination Group Limited. Details of their remuneration and staff numbers are set out below.

	<u>2017</u> Number	<u>2016</u> Number
The average monthly number of employees during the year was made up as follows:		
Creative and other staff	<u>10</u>	<u>8</u>

IMAGINATION MIDDLE EAST LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

5. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

There is no corporation tax charge for the year ended 31 August 2017. Under the provisions of paragraph 18A, Chapter 3A, Corporation Taxes Act 2009 it has been elected to treat the profits of the foreign permanent establishment as exempt from UK corporation tax.

6. DEBTORS

	<u>2017</u> £'000	<u>2016</u> £'000
Trade debtors	385	224
Amount recoverable on contracts	125	244
Prepayments and accrued income	10	22
Other debtors	22	41
Amount owed from group undertakings	523	302
	<u>1,065</u>	<u>833</u>

7. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2017</u> £'000	<u>2016</u> £'000
Trade creditors	162	78
Work in progress – billed in advance	222	223
Accruals	140	67
Other creditors	3	2
Amount due from group undertakings	291	-
	<u>818</u>	<u>370</u>

8. SHARE CAPITAL

	<u>2017</u> £'000	<u>2016</u> £'000
	<u>Allotted, called up and fully paid</u>	
Ordinary shares of £1 each	-	-
	<u>2017</u> Issued	<u>2016</u> Issued
Ordinary shares	1	1

9. RESERVES

The Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issues
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments

**IMAGINATION MIDDLE EAST LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

10. OPERATING LEASE COMMITMENTS

At 31 August 2017, the Company had total uncancellable payments under operating leases, aged by when the payments are contracted to be paid as set out below:

	<u>2017</u> <u>£'000</u>	<u>2016</u> <u>£'000</u>
Leases which expire		
Within 1 year	76	66
Between 1 and 5 years	11	11
	<u>87</u>	<u>77</u>

11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent company is Imagination Europe Limited and ultimate parent company by which it is controlled is The Imagination Group Limited, a company incorporated in Great Britain. Copies of the parent company's consolidated accounts are available from Companies House, Crown Way, Cardiff. The Company's ultimate controlling party is Mr G J Withers.

12. AUDIT REPORT

An audit of the company's financial statements was carried out by BDO LLP as statutory auditor who reported to the company's members on 16 January 2018. The auditor report was signed by Scott McNaughton as senior statutory auditor and was unqualified.