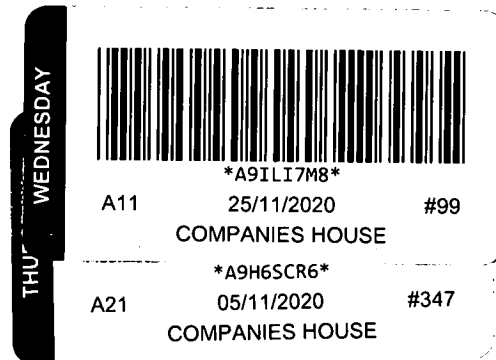


Company Registration No. 09577149 (England and Wales)

B25 Limited

**Financial statements
for the period ended 30 June 2020**

Pages for filing with the Registrar



B25 Limited

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B25 Limited**Statement of financial position
As at 30 June 2020**

	Notes	2020 £	£	2019 £	£
Current assets					
Work in progress	5	213,916,164		199,472,744	
Debtors	6	27,965,178		63,785,847	
Cash at bank and in hand		2,750,830		8,563,292	
		<u>244,632,172</u>		<u>271,821,883</u>	
Creditors: amounts falling due within one year	7	<u>(244,632,072)</u>		<u>(271,821,783)</u>	
Net current assets			100		100
Capital and reserves					
Called up share capital	10		100		100

The directors of the Company have elected not to include a copy of the income statement within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on ...26/10/2020... and are signed on its behalf by:



Andrew Noakes
Director



John Roebuck
Director

Company Registration No. 09577149

1 Accounting policies

Company information

B25 Limited is a private company limited by shares incorporated in England and Wales. The registered office is 124 Finchley Road, London, NW3 5JS.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Reporting period

The current period of accounts has been shortened by the directors in order to align the accounting period appropriately with the stage of production of the film. The current period is for six months ending 30 June 2020, the prior period was for twelve months ended 31 December 2019. As such comparative amounts in these accounts are not entirely comparable.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for film rights transferred, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of film rights is recognised when the significant risks and rewards of ownership of the rights have passed to the buyer, 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.

These conditions are considered to be met at the point that the film is delivered.

Notes to the financial statements (continued)

For the period ended 30 June 2020

1 Accounting policies (continued)

1.5 Stocks

Stocks take the form of work in progress. Work in progress relates to direct production costs, net of tax credits, subsidies and grants, incurred on film productions not yet delivered. Production costs are recognised in the income statement as soon as the production is delivered and the related sale is recognised.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.6 Cash at bank and in hand

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.

1.7 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 statement of financial position 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.

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.

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.

Notes to the financial statements (continued)

For the period ended 30 June 2020

1 Accounting policies (continued)

Basic financial liabilities

Basic financial liabilities, including 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. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

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

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.9 Taxation

The tax credit represents the sum of the tax currently recoverable and deferred tax.

Current tax

The tax currently recoverable is based on relievable losses arising in the year as the result of film tax relief legislation. Relievable losses differ from net losses as reported in the profit and loss account because they include an additional deduction relating to qualifying film development expenditure and exclude items of income or expense that are taxable or deductible in other years, as well as items that are never taxable or deductible. The company's tax position is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

1.10 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.

Notes to the financial statements (continued)**For the period ended 30 June 2020**

1 Accounting policies (continued)**1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.13 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 income statement for the period.

2 Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	22,000	22,000
	<u> </u>	<u> </u>
For other services		
Taxation compliance services	5,000	5,000
Accountancy services	3,000	3,000
	<u> </u>	<u> </u>
	8,000	8,000
	<u> </u>	<u> </u>

3 Employees

The average monthly number of persons (including directors) employed by the Company during the period was 25 (2019 - 264).

Notes to the financial statements (continued)
For the period ended 30 June 2020

4 Taxation

The actual charge for the period can be reconciled to the expected credit for the period based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Profit before taxation	-	-
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	-	-
Enhanced losses arising from the film tax credit	(4,300,820)	(44,587,110)
Differences between the rate of corporation tax and the rate of relief under the film tax credit	(1,134,137)	(11,227,558)
Losses carried forward	709,387	9,033,176
Tax credit recognised in Work in Progress	4,725,570	46,781,492
Taxation charge for the period	-	-

5 Work in progress

	2020 £	2019 £
Work in progress	213,916,164	199,472,744

Work in progress comprises costs incurred on film production for which the film has not yet been completed or delivered. These are held at the lower of the cost and net realisable value.

6 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	1,001	109,164
Corporation tax recoverable	4,725,571	46,781,492
Other debtors	23,238,606	16,895,191
	27,965,178	63,785,847

B25 Limited**Notes to the financial statements (continued)****For the period ended 30 June 2020****7 Creditors: amounts falling due within one year**

	2020	2019
	£	£
Amounts owed to parent undertaking	242,902,701	263,358,846
Other creditors	1,729,371	8,462,937
	<u>244,632,072</u>	<u>271,821,783</u>

8 Charges

Amounts owed to parent undertakings are secured by way of a fixed and floating charge over the assets of the Company.

9 Government grants

Government grants totalling £95,487 have been received during the period under the Job Retention Scheme. It has been recognised under the accruals model in relation to furlough costs for payroll staff in March to June 2020.

10 Called up share capital

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

11 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Darren Drake.

The auditor was Saffery Champness LLP.

12 Related party transactions

The Company has taken advantage of the exemption under section 1AC.35 of FRS 102 from disclosing transactions entered into between two or more members of the group, where any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

The Company benefits from a cross-guarantee from Eon Productions Limited, its parent, in respect of any amounts falling due to its bankers.

13 Parent company

The immediate and ultimate parent company is Eon Productions Limited, a company incorporated in England and Wales with registered office at Regina House, 124 Finchley Road, London, NW3 5JS.

In the opinion of the directors, there is no single ultimate controlling party.