

Financial Statements

Acamar Films Limited

For the year ended 30 September 2016

Registered number: 04399568

Company Information

Directors	Mikael Shields Frank Mckirgan Terence Back Julie Fitzjohn (appointed 13 October 2015)
Registered number	04399568
Registered office	Hanover House 14 Hanover Square London W1S 1HP
Business address	2nd Floor 12 Oval Road London NW1 7DH
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Grant Thornton House Melton Street Euston Square London NW1 2EP

Contents

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 4
Consolidated statement of comprehensive income	5
Consolidated statement of financial position	6
Company statement of financial position	7
Consolidated statement of changes in equity	8
Company statement of changes in equity	9
Consolidated Statement of cash flows	10
Notes to the financial statements	11 - 24

Directors' report

For the year ended 30 September 2016

The directors present their report and the financial statements for the year ended 30 September 2016.

The financial statements for the year ended to 30 September 2016 are presented on a consolidated basis for the first time.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The directors who served during the year were:

Mikael Shields
Frank Mckirgan
Terence Back
Julie Fitzjohn (appointed 13 October 2015)

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Directors' report (continued)

For the year ended 30 September 2016

Auditor

The directors have appointed Grant Thornton UK LLP as auditor.

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies provision statement

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



Mikael Shields
Director

Date: 20/03/2017

Independent auditor's report to the members of Acamar Films Limited

We have audited the financial statements of Acamar Films Limited for the year ended 30 September 2016, which comprise the consolidated Statement of comprehensive income, the consolidated and Company Statements of financial position, the consolidated and Company Statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is the applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 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 on page 1, 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 Financial Reporting Council'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 Group's and the parent Company's affairs as at 30 September 2016 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter 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 those financial statements.



Independent auditor's report to the members of Acamar Films Limited (continued)

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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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 Group strategic report or in preparing the Directors' report.

Grant Thornton UK LLP

Steven Leith (Senior statutory auditor)

for and on behalf of
Grant Thornton UK LLP

Chartered Accountants
Statutory Auditor

London
Date: 21 March 2017

Consolidated statement of comprehensive income

For the year ended 30 September 2016

	Note	2016 £	2015 £
Turnover	4	2,434,467	2,201,043
Cost of sales		(1,359,856)	(1,165,925)
Gross profit		1,074,611	1,035,118
Administrative expenses		(2,125,080)	(1,867,462)
Operating loss	5	(1,050,469)	(832,344)
Interest receivable and similar income	8	-	5,054
Interest payable and expenses	9	(113,860)	(28,432)
Loss on ordinary activities before tax		(1,164,329)	(855,722)
Tax on loss		-	-
Loss for the year		(1,164,329)	(855,722)
Loss for the year attributable to:			
Owners of the parent company		1,164,329	855,722

There were no recognised gains and losses for 2016 or 2015 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2016 (2015: £NIL).

The notes on pages 11 to 24 form part of these financial statements.

Consolidated statement of financial position

As at 30 September 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	13	127,576	121,024
		<u>127,576</u>	<u>121,024</u>
Current assets			
Debtors	15	359,196	325,183
Cash at bank and in hand	16	322,677	185,323
		<u>681,873</u>	<u>510,506</u>
Creditors: amounts falling due within one year		<u>(1,396,240)</u>	<u>(1,008,703)</u>
Net current liabilities		<u>(714,367)</u>	<u>(498,197)</u>
Total assets less current liabilities		<u>(586,791)</u>	<u>(377,173)</u>
Creditors: amounts falling due after more than one year		(1,114,206)	(322,151)
Net liabilities		<u><u>(1,700,997)</u></u>	<u><u>(699,324)</u></u>
Capital and reserves			
Share capital	19	3,502,588	3,431,868
Share premium	20	2,997,137	2,905,201
Retained earnings	20	(8,200,722)	(7,036,393)
		<u>(1,700,997)</u>	<u>(699,324)</u>

The Group's financial statements have been prepared in accordance with the 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 by:

Mikael Shields
 Director

Date: 20/03/2017

The notes on pages 11 to 24 form part of these financial statements.

Company statement of financial position

As at 30 September 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	13	127,576	121,024
Investments	14	2	2
		<u>127,578</u>	<u>121,026</u>
Current assets			
Debtors	15	424,040	323,457
Cash at bank and in hand	16	103,565	181,072
		<u>527,605</u>	<u>504,529</u>
Creditors: amounts falling due within one year		<u>(1,241,974)</u>	<u>(1,002,728)</u>
Net current liabilities		(714,369)	(498,199)
Total assets less current liabilities		(586,791)	(377,173)
Creditors: amounts falling due after more than one year		<u>(1,114,206)</u>	<u>(322,151)</u>
Net liabilities		<u>(1,700,997)</u>	<u>(699,324)</u>
Capital and reserves			
Share capital	19	3,502,588	3,431,868
Share premium	20	2,997,137	2,905,201
Retained earnings	20	<u>(8,200,722)</u>	<u>(7,036,393)</u>
		<u>(1,700,997)</u>	<u>(699,324)</u>

The Company's financial statements have been prepared in accordance with the 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 by:


Mikael Shields
 Director

Date: 20/03/2017

The notes on pages 11 to 24 form part of these financial statements.

Consolidated statement of changes in equity

For the year ended 30 September 2016

	Share capital	Share premium	Retained earnings	Total equity
	£	£	£	£
At 1 October 2015	3,431,868	2,905,201	(7,036,393)	(699,324)
Comprehensive income for the year				
Loss for the year	-	-	(1,164,329)	(1,164,329)
Total comprehensive income for the year	-	-	(1,164,329)	(1,164,329)
Shares issued during the year	70,720	91,936	-	162,656
At 30 September 2016	3,502,588	2,997,137	(8,200,722)	(1,700,997)

Consolidated statement of changes in equity

For the year ended 30 September 2015

	Share capital	Share premium	Retained earnings	Total equity
	£	£	£	£
At 1 October 2014	2,727,025	2,023,895	(6,180,671)	(1,429,751)
Comprehensive income for the year				
Loss for the year	-	-	(855,722)	(855,722)
Total comprehensive income for the year	-	-	(855,722)	(855,722)
Shares issued during the year	704,843	881,306	-	1,586,149
At 30 September 2015	3,431,868	2,905,201	(7,036,393)	(699,324)

The notes on pages 11 to 24 form part of these financial statements.

Company statement of changes in equity

For the year ended 30 September 2016

	Share capital	Share premium	Retained earnings	Total equity
	£	£	£	£
At 1 October 2015	3,431,868	2,905,201	(7,036,393)	(699,324)
Comprehensive income for the year				
Loss for the year	-	-	(1,164,329)	(1,164,329)
Total comprehensive income for the year	-	-	(1,164,329)	(1,164,329)
Contributions by and distributions to owners				
Shares issued during the year	70,720	91,936	-	162,656
At 30 September 2016	3,502,588	2,997,137	(8,200,722)	(1,700,997)

Company statement of changes in equity

For the year ended 30 September 2015

	Share capital	Share premium	Retained earnings	Total equity
	£	£	£	£
At 1 October 2014	2,727,025	2,023,895	(6,180,671)	(1,429,751)
Comprehensive income for the year				
Loss for the year	-	-	(855,722)	(855,722)
Total comprehensive income for the year	-	-	(855,722)	(855,722)
Contributions by and distributions to owners				
Shares issued during the year	704,843	881,306	-	1,586,149
At 30 September 2015	3,431,868	2,905,201	(7,036,393)	(699,324)

The notes on pages 11 to 24 form part of these financial statements.

Consolidated statement of cash flows

For the year ended 30 September 2016

	2016	2015
	£	£
Cash flows from operating activities		
Loss for the financial year	(1,164,329)	(855,722)
Adjustments for:		
Amortisation of intangible assets	868,174	2,623,347
Depreciation of tangible assets	34,904	38,246
Interest paid	113,860	28,432
Interest received	-	(5,054)
Taxation credit	-	(923,442)
(Increase)/decrease in debtors	(34,014)	319,984
Increase/(decrease) in creditors	59,070	(587,718)
Corporation tax received	-	419,555
Net cash generated from operating activities	(122,335)	1,057,628
Cash flows from investing activities		
Purchase of intangible fixed assets	(868,174)	(2,623,347)
Purchase of tangible fixed assets	(41,456)	(13,348)
Interest received	-	5,054
Net cash from investing activities	(909,630)	(2,631,641)
Cash flows from financing activities		
Issue of ordinary shares	162,656	1,586,149
New loans	678,625	322,151
Repayment of loans	-	(149,808)
New other loans	441,874	-
Interest paid	(113,860)	(28,432)
Net cash used in financing activities	1,169,295	1,730,060
Net increase in cash and cash equivalents	137,330	156,047
Cash and cash equivalents at beginning of year	185,110	29,063
Cash and cash equivalents at the end of year	322,440	185,110
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	322,677	185,323
Bank overdrafts	(237)	(213)
	322,440	185,110

Notes to the financial statements

For the year ended 30 September 2016

1. General information

Acamar Films Limited is a private company limited by shares, registered and incorporated in England. The company's registered office is Hanover House, 14 Hanover Square, London, W1S 1HP.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 26.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Group and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

The directors have considered forecast financial performance, recoverability of assets and financial viability for a period extending at least 12 months from the date of approval of these financial statements. The company has raised further funds by way of debt amounts totalling £2.2m since the period end under the new loan note programme, with a term of between 3 and 4 years. The directors therefore have reasonable expectation that there are adequate resources for the company to continue in operational existence for the foreseeable future and have adopted the going concern basis in preparing these financial statements.

Notes to the financial statements

For the year ended 30 September 2016

2. Accounting policies (continued)

2.4 Turnover

Television sales

Turnover derived from the sale of the television series is stated including withholding tax but excluding value added tax. The turnover and associated costs are recognised in the income statement when all of the following criteria are met:

- a) A license agreement has been executed by both parties
- b) The episode has met all necessary technical quality requirement with the commissioning broadcaster
- c) The episode is available for delivery to the broadcaster
- d) The license term has commenced
- e) The arrangement is fixed or determinable
- f) Collection of the revenue is reasonably assured

Other licensing revenue & DVD income

Minimum guarantees in respect of other Licensing, Publishing, TV Agency and DVD revenues are recognised in the income statement when the following criteria are met:

- a) A license agreement has been executed by both parties
- b) The programme or other materials have met all the necessary technical quality requirements with the Licensee
- c) The license term has commenced
- d) The arrangement is fixed or determinable
- e) Collection of the revenue is reasonably assured.
- f) All conditions of the contract have been met

Additional licensing revenue is recognised when it has been notified to the company.

2.5 Intangible assets - programme development costs

Development expenditure is expensed through the income statement as incurred.

Costs incurred in the production of television programme are capitalised as intangible fixed assets and amortised against expected future income. Intangible fixed assets are subject to review for impairment and provision is made against costs that are not supported by contracted future income.

Notes to the financial statements

For the year ended 30 September 2016

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less their estimated residual value of each asset over its expected useful life, as follows:

Land and buildings	- Straight line depreciation over the life of the leasehold
Plant and machinery	- 25% depreciation on a reducing balance basis

2.7 Investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Statement of financial position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Notes to the financial statements

For the year ended 30 September 2016

2. Accounting policies (continued)

2.11 Financial instruments

The Group 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 related parties and investments in non-puttable ordinary shares.

Financial assets that are 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, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount 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.

2.12 Finance costs

Finance costs are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 October 2014 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.14 Interest income

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

Notes to the financial statements

For the year ended 30 September 2016

2. Accounting policies (continued)

2.15 Borrowing costs

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the year in which they are incurred.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

There are no material judgments or estimates in preparation of these financial statements.

4. Turnover

All turnover arose within the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets	34,904	38,246
Impairment of intangible assets	(868,174)	(2,623,347)
Auditor's remuneration - for the audit of the company	14,250	-
Auditor's remuneration - for the audit of associated companies	6,000	-
Auditor's remuneration - Non-audit services	6,750	-
Exchange differences	8,452	8,297
Other operating lease rentals	55,109	58,542

Notes to the financial statements

For the year ended 30 September 2016

6. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	1,282,965	868,129
Social security costs	156,480	89,531
	<u>1,439,445</u>	<u>957,660</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
Administrative	<u>21</u>	<u>11</u>

7. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	421,250	293,234
	<u>421,250</u>	<u>293,234</u>

£96,250 of salaries for executive directors were accrued and unpaid in the year as at 30 September 2016.

8. Interest receivable

	2016 £	2015 £
Other interest receivable	-	5,054
	<u>-</u>	<u>5,054</u>

9. Interest payable and similar charges

	2016 £	2015 £
Loan note interest	77,860	28,432
Other loan interest	36,000	-
	<u>113,860</u>	<u>28,432</u>

Notes to the financial statements

For the year ended 30 September 2016

10. Taxation

	2016 £	2015 £
Current tax on profits for the year	-	-
Total current tax	-	-
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2015 - the same as) the standard rate of corporation tax in the UK of 20% (2015 - 20.5%) as set out below:

	2016 £	2015 £
Loss on ordinary activities before tax	(1,164,329)	(855,722)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.5%)	(232,866)	(175,411)
Effects of:		
Fixed asset differences	633	-
Expenses not deductible for tax purposes	3,426	47,671
Capital allowances for year in excess of depreciation	-	5,104
Adjust closing deferred tax to average rate of 20.00%	76,605	-
Unrelieved tax losses carried forward	-	126,520
Deferred tax not recognised	152,140	-
Other permanent differences	3	204
Other short term timing differences	-	(4,088)
Group relief	59	-
Total tax charge for the year	-	-

Factors that may affect future tax charges

Reductions in the UK corporation tax rate to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the company's future current tax charge accordingly.

Notes to the financial statements

For the year ended 30 September 2016

11. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The loss after tax of the parent Company for the year was £1,164,329 (2015 - loss £855,722).

12. Intangible assets

Group and Company

	Programme development costs £
Cost	
At 1 October 2015	10,969,995
Additions	868,174
At 30 September 2016	<u>11,838,169</u>
Amortisation	
At 1 October 2015	10,969,995
Impairment charge	868,174
At 30 September 2016	<u>11,838,169</u>
Net book value	
At 30 September 2016	<u><u>-</u></u>
At 30 September 2015	<u><u>-</u></u>

Notes to the financial statements

For the year ended 30 September 2016

13. Tangible fixed assets

Group and Company

	Land and buildings £	Plant and machinery £	Total £
Cost or valuation			
At 1 October 2015	107,329	174,750	282,079
Additions	14,738	26,718	41,456
At 30 September 2016	<u>122,067</u>	<u>201,468</u>	<u>323,535</u>
Depreciation			
At 1 October 2015	64,724	96,331	161,055
Charge for the period on owned assets	14,455	20,449	34,904
At 30 September 2016	<u>79,179</u>	<u>116,780</u>	<u>195,959</u>
Net book value			
At 30 September 2016	<u>42,888</u>	<u>84,688</u>	<u>127,576</u>
At 30 September 2015	<u>42,605</u>	<u>78,419</u>	<u>121,024</u>

Notes to the financial statements

For the year ended 30 September 2016

14. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 October 2015	2
At 30 September 2016	<u>2</u>
Net book value	
At 30 September 2016	<u>2</u>
At 30 September 2015	<u>2</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	 Holding
Bing Bunny Productions Limited	England	Ordinary	100%
Bing Bunny Collections Limited	England	Ordinary	100%

Notes to the financial statements

For the year ended 30 September 2016

15. Debtors

	Group 2016	Group 2015	Company 2016	Company 2015
	£	£	£	£
Trade debtors	37,513	34,002	37,513	44,392
Amounts owed by group undertakings	-	-	285,155	93,642
Taxation and social security	-	48,731	-	49,537
Other debtors	41,984	77,803	41,407	77,226
Prepayments and accrued income	279,699	58,660	59,965	58,660
Tax recoverable	-	105,987	-	-
	359,196	325,183	424,040	323,457

Amounts owed by group undertakings are interest free, unsecured and repayable on demand.

16. Cash and cash equivalents

	Group 2016	Group 2015	Company 2016	Company 2015
	£	£	£	£
Cash at bank and in hand	322,677	185,323	103,565	181,072
Less: bank overdrafts	(237)	(213)	(237)	(213)
	322,440	185,110	103,328	180,859

17. Creditors: Amounts falling due within one year

	Group 2016	Group 2015	Company 2016	Company 2015
	£	£	£	£
Bank overdrafts	237	213	237	213
Loan notes	328,444	-	328,444	-
Trade creditors	255,089	321,295	253,346	314,095
Amounts owed to group undertakings	-	-	-	13,887
Corporation tax	2,126	2,126	2,126	2,126
Other taxation and social security	90,754	34,897	90,754	34,897
Other creditors	2,335	9,159	2,335	9,146
Accruals and deferred income	717,255	641,013	564,732	628,364
	1,396,240	1,008,703	1,241,974	1,002,728

Amounts owed to group undertakings are interest free, unsecured and repayable on demand.

Notes to the financial statements

For the year ended 30 September 2016

18. Creditors: Amounts falling due after more than one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Loan notes	672,332	322,151	672,332	322,151
Other loans	441,874	-	441,874	-
	<u>1,114,206</u>	<u>322,151</u>	<u>1,114,206</u>	<u>322,151</u>

The company issued £672,393 (2015: £322,151) of loan notes during the year. Due to exchange rate differences the issued loan notes in the year amounted to £678,625 at the year end. These loan notes have a fixed term of 2 years and accrue interest of 12% GBP (11% USD) which is payable half yearly. These loan notes are secured by a debenture on Acamar Films Limited's assets and are convertible in the event of non-repayment.

19. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
4,250,000 A ordinary shares of £0.0001 each	425	425
3,502,163 (2015 - 3,431,443) B ordinary shares of £1 each	3,502,163	3,431,443
	<u>3,502,588</u>	<u>3,431,868</u>

In the event of a sale of the company involving change of control, the B ordinary shares rank above the A ordinary shares in being paid out in full. In addition, prior to any amounts paid out to the A ordinary shareholders, the B ordinary shareholders are entitled to be paid a sum equal to 60% of the aggregate of the amounts paid up or credited as paid up on the B ordinary shares together with the amount of any share premium in respect of such shares.

The company have issued options over C ordinary shares which rank pari passu with the A ordinary shares.

During the year, 70,720 B ordinary shares of £1 each were issued for a nominal value of £70,720. The shares were issued at £2.50 per share resulting in a share premium of £106,080. Share issue costs of £14,144 have been offset against the premium.

Notes to the financial statements

For the year ended 30 September 2016

20. Reserves

Share premium

Includes only premiums received on issue of share capital. Any transaction costs associated with issuing of shares are deducted from share premium.

Retained earnings

Includes all current and prior period retained profit and losses.

21. Share options

The Acamar Films Share Option Scheme was introduced on 26 November 2013. Under the scheme, the Board can grant options over shares in the company to employees and non-employees of the company.

As at the year end, options were granted over 500,000 ordinary C shares of £1 each to 10 non-employees and 2 directors at fixed exercise prices of £1, £1.5, £2 and £2.50 per share, all of which represented the fair value of the shares under option at the date of grant. These share options represent around 5% of the share capital of the company and are exercisable, wholly or in part, in accordance with the terms of the agreement.

Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the year are as follows:

	2016	2016	2015	2015
	Number	WAEP	Number	WAEP
Balance brought forward	450,000	1.39	450,000	1.39
Share options granted	50,000	2.50	-	-
Share options lapsed	-	-	-	-
Share options exercised	-	-	-	-
Balance carried forward	500,000	1.51	450,000	1.39

There is no charge recognised within these financial statements as the directors consider the share option charge to be immaterial to the 2016 results.

22. Commitments under operating leases

At 30 September 2016 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Not later than 1 year	78,120	78,120	78,120	78,120
Later than 1 year and not later than 5 years	26,040	104,160	26,040	104,160
	104,160	182,280	104,160	182,280

Notes to the financial statements

For the year ended 30 September 2016

23. Transactions with directors

During the year £50,000 of loan notes were purchased by Terence Back, a director.

In addition 25,000 share options each were issued to Terence Back and Julie Fitzjohn, both of whom are directors.

24. Related party transactions

The company has taken advantage of the exemption available in accordance with FRS 102 not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions.

During the period a directors fee was charged to the company by Frank McKirgan, a director, amounting to £15,000 (2015: £15,000). No amount was outstanding as at 30 September 2016 or 30 September 2015.

During the period a directors fee was charged to the company by SE16 LLP amounting to £15,400 (2015: £22,500). SE16 LLP is a partnership in which Terence Back, a director, is a member. No amount was outstanding as at 30 September 2016 or 30 September 2015.

During the period the company was charged £625 by Victoria Back, the daughter of a director, for research services provided (2015: £nil). No amount was outstanding as at 30 September 2016 or 30 September 2015.

During the period costs were accrued relating to development financiers, one of whom is Mr Robert Serafin who is the step-father of a director. The cost relating to Mr Serafin amounts to £10,700 (2015: £nil) and is included in accruals as at 30 September 2016. These costs are paid in accordance with the recoupment schedule agreement governing recoupment of investment in the Bing production alongside equity and deficit finance investors.

25. Controlling party

The company is controlled by Mikael Shields, by virtue of his direct and his step-father's indirect holding in the shares of Acamar Films Limited.

26. First time adoption of FRS 102

This is the first year that the company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the year ended 30 September 2015 and the date of transition to FRS 102 was therefore 1 October 2015.

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.