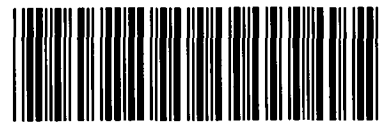

EON PRODUCTIONS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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EON PRODUCTIONS LIMITED

COMPANY INFORMATION

Directors	Barbara Broccoli OBE James Higgins MBE Michael Wilson OBE
Company secretary	John Roebuck
Registered number	00697555
Registered office	Regina House 124 Finchley Road London NW3 5JS
Trading Address	Eon House 138 Piccadilly London W1J 7NR
Independent auditors	Nyman Libson Paul Chartered Accountants & Statutory Auditors Regina House 124 Finchley Road London NW3 5JS

EON PRODUCTIONS LIMITED

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EON PRODUCTIONS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

Introduction

The principal activity of the company and its group is film production and ancillary activities.

During the year the group was involved in the production of the films "Film Stars Don't Die in Liverpool" and "The Rhythm Section".

Business review

The directors consider the results of the group for the year to be in line with expectations. The results for the year were considered more than satisfactory by the directors who anticipate continued growth and profitability in the foreseeable future.

Principal risks and uncertainties

The management of the business and the process of film production are subject to a number of risks. The key business risks and uncertainties affecting the group are considered to relate to the normal commercial risks involved in the production of a film to budget and the delivery of it at the required time.

The principal financial instruments of the group comprise bank balances, debtors and creditors. The main purpose of these instruments is to raise funds to finance the group's operations.

In respect of bank balances, liquidity risk is managed by actively monitoring balances and ensuring that funds are in place to meet liabilities as and when they fall due.

Debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Currency risk is managed by monitoring movements in exchange rates in an effort to reduce any negative impact of those movements.

Financial key performance indicators

Given the nature of the business, the directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

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



Michael Wilson OBE
Director

Date: 24th September 2018

EON PRODUCTIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

Directors

The directors who served during the year were:

Barbara Broccoli OBE
James Higgins MBE
Michael Wilson OBE

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, 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 judgements 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 to 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.

Results and dividends

The profit for the year, after taxation, amounted to £1,339,565 (2016 - £345,733).

The company did not pay a dividend during the year.

Matters covered in the strategic report

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report. These matters relate to financial instruments and future developments.

EON PRODUCTIONS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

Disclosure of information to auditors

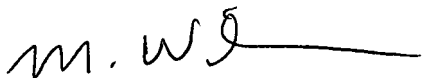
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the group's auditors are 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 auditors are aware of that information.

Auditors

The auditors, Nyman Libson Paul, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



Michael Wilson OBE
Director

Date: 24th September 2018

EON PRODUCTIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EON PRODUCTIONS LIMITED

Opinion

We have audited the financial statements of Eon Productions Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017, which comprise the group Statement of comprehensive income, the group and company Statements of financial position, the group Statement of cash flows, the group and company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our

EON PRODUCTIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EON PRODUCTIONS LIMITED (CONTINUED)

knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Group strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

EON PRODUCTIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EON PRODUCTIONS LIMITED (CONTINUED)

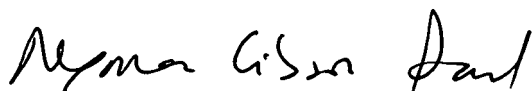
Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

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.



Kenneth Dias (Senior statutory auditor)

for and on behalf of
Nyman Libson Paul

Chartered Accountants
Statutory Auditors

Regina House
124 Finchley Road
London
NW3 5JS

Date: *24 - September - 2018*

EON PRODUCTIONS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Turnover	4	12,952,592	14,318,322
Cost of sales		(5,612,457)	(14,322,227)
Gross profit/(loss)		<u>7,340,135</u>	<u>(3,905)</u>
Administrative expenses		(8,454,021)	(7,550,960)
Other operating income	5	648,894	118,861
Operating loss	6	<u>(464,992)</u>	<u>(7,436,004)</u>
Amounts written off unlisted investments		(500)	(121,292)
Interest receivable and similar income	9	2,263	3,085
Interest payable and similar charges	10	(1,485)	(873)
Loss before taxation		<u>(464,714)</u>	<u>(7,555,084)</u>
Tax on loss	11	1,804,279	7,900,817
Profit for the year		<u><u>1,339,565</u></u>	<u><u>345,733</u></u>
Owners of the parent company		1,339,565	345,733
		<u><u>1,339,565</u></u>	<u><u>345,733</u></u>

There were no recognised gains and losses for 2017 or 2016 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 12 to 24 form part of these financial statements.

EON PRODUCTIONS LIMITED
REGISTERED NUMBER: 00697555

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	13		339,639		384,381
Investments	14		500,000		500,000
			<u>839,639</u>		<u>884,381</u>
Current assets					
Debtors		3,927,332		3,120,476	
Investments		330,781		284,243	
Cash at bank	18	638,776		3,472,672	
		<u>4,896,889</u>		<u>6,877,391</u>	
Creditors: amounts falling due within one year	19	(2,315,530)		(5,680,339)	
Net current assets			<u>2,581,359</u>		<u>1,197,052</u>
Net assets			<u><u>3,420,998</u></u>		<u><u>2,081,433</u></u>
Capital and reserves					
Called up share capital	20		2		2
Capital redemption reserve			2,133		2,133
Profit and loss account			3,418,863		2,079,298
			<u><u>3,420,998</u></u>		<u><u>2,081,433</u></u>

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



Barbara Broccoli OBE
Director



Michael Wilson OBE
Director

Date: 24th September 2018.

The notes on pages 12 to 24 form part of these financial statements.

EON PRODUCTIONS LIMITED
REGISTERED NUMBER: 00697555

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	13		339,639		380,437
Investments	14		500,600		500,700
			<u>840,239</u>		<u>881,137</u>
Current assets					
Debtors	16	3,642,938		1,503,398	
Investments	17	330,781		284,243	
Cash at bank	18	171,030		145,073	
		<u>4,144,749</u>		<u>1,932,714</u>	
Creditors: amounts falling due within one year	19	(1,608,990)		(783,024)	
Net current assets			<u>2,535,759</u>		<u>1,149,690</u>
Total assets less current liabilities			<u><u>3,375,998</u></u>		<u><u>2,030,827</u></u>
Capital and reserves					
Called up share capital	20		2		2
Capital redemption reserve			2,133		2,133
Profit and loss account			<u>3,373,863</u>		<u>2,028,692</u>
			<u><u>3,375,998</u></u>		<u><u>2,030,827</u></u>

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



Barbara Broccoli OBE
Director



Michael Wilson OBE
Director

Date: 24th September 2018

The notes on pages 12 to 24 form part of these financial statements.

EON PRODUCTIONS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital	Capital redemption reserve	Profit and loss account	Equity attributable to owners of parent company	Total equity
	£	£	£	£	£
At 1 January 2016	2	2,133	1,733,565	1,735,700	1,735,700
Comprehensive income for the year					
Profit for the year	-	-	345,733	345,733	345,733
At 1 January 2017	2	2,133	2,079,298	2,081,433	2,081,433
Comprehensive income for the year					
Profit for the year	-	-	1,339,565	1,339,565	1,339,565
At 31 December 2017	2	2,133	3,418,863	3,420,998	3,420,998

The notes on pages 12 to 24 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2016	2	2,133	1,621,053	1,623,188
Comprehensive income for the year				
Profit for the year	-	-	407,639	407,639
At 1 January 2017	2	2,133	2,028,692	2,030,827
Comprehensive income for the year				
Profit for the year	-	-	1,345,171	1,345,171
At 31 December 2017	2	2,133	3,373,863	3,375,998

The notes on pages 12 to 24 form part of these financial statements.

EON PRODUCTIONS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	1,339,565	345,733
Adjustments for:		
Depreciation of tangible assets	92,772	115,741
Impairment of unlisted investments	-	120,692
Loss on disposal of tangible assets	12,605	-
Interest paid	1,485	873
Interest received	(2,263)	(3,085)
Taxation	(1,804,279)	(7,900,817)
Increase / (decrease) in debtors	(806,856)	2,603,248
Decrease in creditors	(3,485,046)	(2,379,296)
Corporation tax	1,924,516	7,930,793
Net cash generated from operating activities	<u>(2,727,501)</u>	<u>833,882</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(60,635)	(139,904)
Purchase of unlisted and other investments	-	(500,000)
Purchase of short term unlisted investments	(103,169)	(162,210)
Sale of short term unlisted investments	56,631	91,025
Interest received	2,263	3,085
Net cash from investing activities	<u>(104,910)</u>	<u>(708,004)</u>
Cash flows from financing activities		
interest paid	(1,485)	(873)
Net cash used in financing activities	<u>(1,485)</u>	<u>(873)</u>
Net increase / (decrease) in cash and cash equivalents	(2,833,896)	125,005
Cash and cash equivalents at beginning of year	3,472,672	3,347,667
Cash and cash equivalents at the end of year	<u>638,776</u>	<u>3,472,672</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	638,776	3,472,672
	<u>638,776</u>	<u>3,472,672</u>

The notes on pages 12 to 24 form part of these financial statements.

EON PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. General information

Eon Productions Limited is a private company limited by shares incorporated in the United Kingdom and registered in England and Wales. The address of its registered office is Regina House, 124 Finchley Road, London, NW3 5JS and the address of its principal place of business is Eon House, 138 Piccadilly, London, W1J 7NR.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ('FRS 102') and the Companies Act 2006.

The financial statements are presented in sterling (£).

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.

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 following principal accounting policies have been applied:

2.2 Basis of consolidation

The group financial statements consolidate the financial statements of Eon Productions Limited and all its subsidiary undertakings drawn up to 31 December each year.

The consolidated financial statements incorporate the financial statements of the company and its entities controlled by the group. Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

2.3 Going concern

After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

EON PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of all tangible fixed assets over their expected useful lives on the following basis:

Plant & Equipment	-	15% on written down value
Motor vehicles	-	25% on written down value
Fixtures & fittings	-	10% and 16.67% on cost
Computer equipment	-	50% on cost

2.5 Operating leases: as lessee

Rentals paid under operating leases are charged to the profit or loss account on a straight line basis over the lease term.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company 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.

2.7 Debtors

Short term debtors are measured at cost less accumulated impairment.

2.8 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.

2.9 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 accounts receivable and payable, loans from third parties, loans to or from related parties and investments in non-puttable ordinary shares.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- i) at fair value with changes recognised in the Income statement if the shares are publicly traded or their fair value can otherwise be measured reliably;

EON PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

Qualified opinion on other matters prescribed by the Companies Act 2006 (continued)

- ii) at cost less impairment for all other investments.

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 Income statement.

2.10 Creditors

Short term creditors are measured at the transaction price.

2.11 Revenue

Turnover is measured at the fair value of the consideration received or receivable, net of value added tax. Turnover includes revenue earned from film production, recharged costs and from the sale of merchandise.

Film production

A production fee is earned during the production of each feature film and is recognised evenly over the entire production period. Once the production of the feature film has been completed, the film is sold for a price equal to the total cost of production less the amount received in respect of UK Film Tax Credits.

Recharged costs

Certain administrative costs are recharged in line with an approved contract on a quarterly basis.

Merchandising income

The company operates as a licensing agent in respect of the group's merchandising deals. The company receives the gross merchandising receipts from its worldwide agents before deducting and paying out the various amounts owed to participants in line with their contracted rates.

2.12 Foreign currency translation

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates. These, and the results and financial position reported in the consolidated financial statements, are presented in Sterling (£).

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are recognised in profit or loss in the period in which they arise.

Exchange differences on production costs have been offset against production advances on the balance sheet. Other exchange gains and losses are recognised in the profit and loss account.

EON PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.13 Taxation

Tax is recognised in the Consolidated statement of comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the group operate and generate income.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following are the group's key sources of estimation uncertainty:

Tangible assets

Tangible assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending upon a number of factors. In re-assessing the assets' lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

Investments

At each reporting date the investments are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected investment is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Due to the unpredictable nature of the recoverability of investments, an impairment loss may subsequently reverse. If so, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, without going in excess of the amount which would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment, management considers factors including the ageing profile and historical experience of each debtor.

Accruals

The company makes an estimate of accruals at the year end based on invoices received after the year end and work undertaken which has not been invoiced based on quotations or estimates of amounts that may be due for payment.

4. Analysis of Turnover

In the opinion of the directors, it would seriously prejudice the company's interests to disclose the turnover by each class and provide a geographical analysis.

EON PRODUCTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

5. Other operating income

	2017 £	2016 £
Management fees and sundry income	648,894	118,861
	<u>648,894</u>	<u>118,861</u>

6. Operating loss

The operating loss is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	92,772	115,741
Fees payable to the group's auditor for the audit of the company's annual financial statements	17,000	15,000
Exchange differences	95,892	(3,429)
	<u>195,664</u>	<u>127,312</u>

7. Directors' remuneration

	2017 £	2016 £
Directors' remuneration	3,599,924	3,606,053
	<u>3,599,924</u>	<u>3,606,053</u>

The highest paid director received remuneration of £2,027,166 (2016 - £2,078,306)

EON PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

8. Employees

	2017 £	2016 £
Wages and salaries	5,827,671	6,143,977
Social security costs	773,819	785,961
	<u>6,601,490</u>	<u>6,929,938</u>

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

	2017 No.	2016 No.
Administration	21	21
Production	2	76
	<u>23</u>	<u>97</u>

The total employee benefits of the key management personnel of Eon Productions Limited and its group were £4,845,305 (2016: £4,774,656)

9. Interest receivable

	2017 £	2016 £
Other interest receivable	2,263	3,085
	<u>2,263</u>	<u>3,085</u>

10. Interest payable and similar expenses

	2017 £	2016 £
Other interest payable	1,485	873
	<u>1,485</u>	<u>873</u>

EON PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

11. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	(1,804,279)	(7,900,817)
	<u>(1,804,279)</u>	<u>(7,900,817)</u>
Double taxation relief	(23,188)	(2,899)
	<u>(1,827,467)</u>	<u>(7,903,716)</u>
Foreign tax		
Foreign tax on income for the year	23,188	2,899
	<u>23,188</u>	<u>2,899</u>
Total current tax	<u>(1,804,279)</u>	<u>(7,900,817)</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - higher than) the standard rate of corporation tax in the UK of 19% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	(464,714)	(7,555,084)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2016 - 20%)	(88,296)	(1,511,017)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	18,669	26,973
Depreciation and loss on disposal of assets	19,272	23,009
Capital allowances	(16,628)	(34,537)
Amount written back off investments	-	14,258
Alignment of tax rates	4,451	7,283
Enhanced losses arising from UK Film Tax Credit	(1,742,812)	(6,426,786)
Other timing differences	1,065	-
Total tax charge for the year	<u>(1,804,279)</u>	<u>(7,900,817)</u>

EON PRODUCTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

12. 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 profit after tax of the parent company for the year was £1,345,171 (2016 - £407,639).

13. Tangible fixed assets**Group**

	Motor vehicles £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2017	32,500	1,802,905	218,504	2,053,909
Additions	-	29,961	30,674	60,635
Disposals	-	(131,588)	(57,097)	(188,685)
At 31 December 2017	32,500	1,701,278	192,081	1,925,859
Depreciation				
At 1 January 2017	28,702	1,442,844	197,982	1,669,528
Charge for the year on owned assets	949	55,964	35,859	92,772
Disposals	-	(118,983)	(57,097)	(176,080)
At 31 December 2017	29,651	1,379,825	176,744	1,586,220
Net book value				
At 31 December 2017	2,849	321,453	15,337	339,639
At 31 December 2016	3,798	360,061	20,522	384,381

EON PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

13. Tangible fixed assets (continued)

Company

	Motor vehicles £	Plant, equipment & fixtures £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2017	32,500	1,785,921	218,504	2,036,925
Additions	-	29,961	30,674	60,635
Disposals	-	(114,604)	(57,097)	(171,701)
At 31 December 2017	32,500	1,701,278	192,081	1,925,859
Depreciation				
At 1 January 2017	28,702	1,429,804	197,982	1,656,488
Charge for the year on owned assets	949	55,964	35,859	92,772
Disposals	-	(105,943)	(57,097)	(163,040)
At 31 December 2017	29,651	1,379,825	176,744	1,586,220
Net book value				
At 31 December 2017	2,849	321,453	15,337	339,639
At 31 December 2016	3,798	356,117	20,522	380,437

EON PRODUCTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

14. Fixed asset investments

Group

	Other fixed asset investments £
Cost or valuation	
At 1 January 2017	500,000
At 31 December 2017	<u>500,000</u>

Net book value

At 31 December 2017	<u>500,000</u>
At 31 December 2016	<u>500,000</u>

Company

	Investments in subsidiary companies £	Unlisted investments £	Total £
Cost or valuation			
At 1 January 2017	700	500,000	500,700
Disposals	(100)	-	(100)
At 31 December 2017	<u>600</u>	<u>500,000</u>	<u>500,600</u>
Net book value			
At 31 December 2017	<u>600</u>	<u>500,000</u>	<u>500,600</u>
At 31 December 2016	<u>700</u>	<u>500,000</u>	<u>500,700</u>

EON PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

15. Principal subsidiaries

Company name	Country	Percentage Shareholding	Description
B23 Limited	England and Wales	100	Dormant
B24 Limited	England and Wales	100	Film production
B25 Limited	England and Wales	100	Dormant
Frozen Film Company Limited	England and Wales	100	Dormant
Bad & Beautiful Productions Limited	England and Wales	100	Film production
Rhythm Section Productions Limited	England and Wales	100	Film production

16. Debtors

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade debtors	105,128	305,033	49,952	73,768
Amounts owed by group undertakings	-	-	546,836	-
Other debtors	2,093,795	2,427,808	1,581,133	1,041,995
Prepayments and accrued income	1,472,155	387,635	1,465,017	387,635
Tax recoverable	256,254	-	-	-
	<u>3,927,332</u>	<u>3,120,476</u>	<u>3,642,938</u>	<u>1,503,398</u>

17. Current asset investments

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Unlisted investments	330,781	284,243	330,781	284,243
	<u>330,781</u>	<u>284,243</u>	<u>330,781</u>	<u>284,243</u>

18. Cash and cash equivalents

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Cash at bank and in hand	638,776	3,472,672	171,030	145,073
	<u>638,776</u>	<u>3,472,672</u>	<u>171,030</u>	<u>145,073</u>

EON PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

19. Creditors: Amounts falling due within one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade creditors	390,035	234,486	381,321	234,486
Corporation tax	252,902	132,665	252,902	132,665
Taxation and social security	408,289	385,100	408,289	379,677
Other creditors	1,222,463	4,913,088	542,637	21,196
Accruals and deferred income	41,841	15,000	23,841	15,000
	<u>2,315,530</u>	<u>5,680,339</u>	<u>1,608,990</u>	<u>783,024</u>

20. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
201 (2016 - 201) Ordinary shares of £0.01 each	<u>2</u>	<u>2</u>

21. Commitments under operating leases

At 31 December 2017 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Not later than 1 year	385,200	259,279	385,200	259,279
Later than 1 year and not later than 5 years	697,970	619,483	697,970	619,483
Total	<u>1,083,170</u>	<u>878,762</u>	<u>1,083,170</u>	<u>878,762</u>

EON PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

22. Related party transactions

Turnover includes £7,329,794 (2016: £8,029,613) arising from transactions with Danjaq LLC, a company whose directors are closely connected with the directors of Eon Productions Limited. The amount due from Danjaq LLC at the balance sheet date was £1,477,488 (2016: £921,770).

Eon Productions Limited paid rent and service charge totalling £385,305 (2016: £383,623) to Audley Productions Inc, a company whose directors are closely connected with the directors of Eon Productions Limited. Eon Productions Limited received £31,240 (2016: £31,240) of management and other fees from Audley Productions Inc.

Eon Productions Limited has a cross guarantee with the bankers of B23 Limited and B24 Limited.

The company is exempt from disclosing other related party transactions as they are with companies which are wholly owned within the group.

23. Controlling party

The company is under the control of Barbara Broccoli OBE and Michael Wilson OBE. There is no ultimate controlling party.