

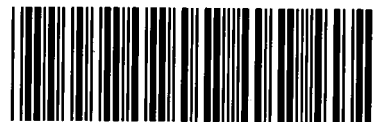
Audio Visual Material Limited

Registered number: 00944450

Directors' report and financial statements

For the year ended 31 December 2017

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AUDIO VISUAL MATERIAL LIMITED

COMPANY INFORMATION

Directors	C S Athanasiou M N Nisbet C D Nixey C Wells
Company secretary	C D Nixey
Registered number	00944450
Registered office	Unit 4 J4 Estate Doman Road Camberley Surrey GU15 3LB
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor Mazars House Gelderd Road Gildersome Leeds LS27 7JN

AUDIO VISUAL MATERIAL LIMITED

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AUDIO VISUAL MATERIAL 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' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The directors who served during the year were:

C S Athanasiou
M N Nisbet
C D Nixey
C Wells
J P Sills (resigned 12 April 2017)

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'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's auditor is aware of that information.

AUDIO VISUAL MATERIAL LIMITED

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

Going concern

The company is expected to generate positive cash flows for the foreseeable future. The company participates in the group's centralised treasury arrangement and so shares banking arrangements with its parent and fellow subsidiaries.

The directors who are also directors of the parent company, have no reason to believe that a material uncertainty exists that may cast doubt about the group's ability to continue as a going concern or to continue with the current banking arrangements.

On the basis of their assessment of the company's and group's financial position the directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future. Therefore they continue to adopt the going concern basis to accounting preparing the annual financial statements.

Auditor

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

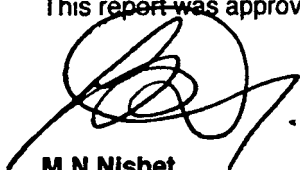
Small companies note

This report has been prepared in accordance with the small companies provisions of the Companies Act 2006.

This report was approved by the board on

30/8/18

and signed on its behalf.



M N Nisbet
Director

AUDIO VISUAL MATERIAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUDIO VISUAL MATERIAL LIMITED

Opinion

We have audited the financial statements of Audio Visual Material Limited (the 'Company') for the year ended 31 December 2017 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, 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 FRS 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 Company's affairs as at 31 December 2017 and of its profit 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 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 auditor's 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.

AUDIO VISUAL MATERIAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUDIO VISUAL MATERIAL LIMITED

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 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.

Opinions 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- 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' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

AUDIO VISUAL MATERIAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUDIO VISUAL MATERIAL LIMITED

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out 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, 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 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 intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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 auditor's report.

Use of the audit 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 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.



Shaun Mullins (Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
Mazars House
Gelderd Road
Gildersome
Leeds
LS27 7JN

Date: 31.8.2018

AUDIO VISUAL MATERIAL LIMITED

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

	Note	2017 £	As restated 2016 £
Turnover	2	7,796,891	7,996,650
Cost of sales		(6,310,493)	(6,439,814)
Gross profit		<u>1,486,398</u>	<u>1,556,836</u>
Distribution costs		(9,887)	(53,393)
Administrative expenses		(1,208,836)	(1,377,613)
Operating profit		<u>267,675</u>	<u>125,830</u>
Interest payable and expenses		(27,070)	(20,954)
Profit before tax		<u>240,605</u>	<u>104,876</u>
Tax on profit		(54,126)	(29,986)
Profit for the financial year		<u><u>186,479</u></u>	<u><u>74,890</u></u>

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

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

The notes on pages 10 to 20 form part of these financial statements.

AUDIO VISUAL MATERIAL LIMITED
REGISTERED NUMBER: 00944450

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

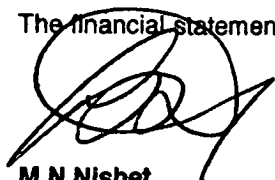
	Note	2017 £	As restated 2016 £
Fixed assets			
Tangible assets	6	291,302	326,841
		<u>291,302</u>	<u>326,841</u>
Current assets			
Stocks	7	754,485	743,923
Debtors: amounts falling due within one year	8	1,568,875	1,287,651
Cash at bank and in hand	9	55,637	202,019
		<u>2,378,997</u>	<u>2,233,593</u>
Creditors: amounts falling due within one year	10	(1,187,569)	(1,195,549)
Net current assets		<u>1,191,428</u>	<u>1,038,044</u>
Total assets less current liabilities		<u>1,482,730</u>	<u>1,364,885</u>
Creditors: amounts falling due after more than one year	11	-	(68,634)
Net assets		<u><u>1,482,730</u></u>	<u><u>1,296,251</u></u>
Capital and reserves			
Called up share capital		3,000	3,000
Profit and loss account		1,479,730	1,293,251
		<u><u>1,482,730</u></u>	<u><u>1,296,251</u></u>

AUDIO VISUAL MATERIAL LIMITED
REGISTERED NUMBER: 00944450

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2017

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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



30/8/18

M N Nisbet
Director

The notes on pages 10 to 20 form part of these financial statements.

AUDIO VISUAL MATERIAL LIMITED

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2017	3,000	1,293,251	1,296,251
Comprehensive income for the year			
Profit for the year	-	186,479	186,479
Total comprehensive income for the year	-	186,479	186,479
At 31 December 2017	3,000	1,479,730	1,482,730

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	3,000	1,218,361	1,221,361
Comprehensive income for the year			
Profit for the year	-	74,890	74,890
Total comprehensive income for the year	-	74,890	74,890
At 31 December 2016	3,000	1,293,251	1,296,251

The notes on pages 10 to 20 form part of these financial statements.

AUDIO VISUAL MATERIAL LIMITED

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

1. General information

Audio Visual Material Limited ("the Company") is a private company incorporated in England and Wales and limited by its shares. The address of its registered office and principal place of business is Unit 4 J4 Estate, Doman Road, Camberley, Surrey, GU15 3LB.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of SEA Holdings (UK) Limited as at 31 December 2017 and these financial statements may be obtained from Millfield Lane, Nether Poppleton, York, YO26 6PQ.

2.3 Going concern

The company is expected to generate positive cash flows for the foreseeable future. The company participates in the group's centralised treasury arrangement and so shares banking arrangements with its parent and fellow subsidiaries.

The directors who are also directors of the parent company, have no reason to believe that a material uncertainty exists that may cast doubt about the group's ability to continue as a going concern or to continue with the current banking arrangements.

On the basis of their assessment of the company's and group's financial position the directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future. Therefore they continue to adopt the going concern basis to accounting preparing the annual financial statements.

AUDIO VISUAL MATERIAL LIMITED

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

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 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.

AUDIO VISUAL MATERIAL LIMITED

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

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as stated below.

Depreciation is provided on the following basis:

Fixtures, fittings and equipment	-	25%	Reducing balance
Hire equipment	-	20%	Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.7 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.

2.8 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 Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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

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

2. Accounting policies (continued)

2.9 Financial instruments (continued)

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 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 of the recoverable amount, which is an approximation of the amount that the Company 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.

2.10 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.

2.11 Finance costs

Finance costs are charged to the 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.

2.12 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the 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.

AUDIO VISUAL MATERIAL LIMITED

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

2. Accounting policies (continued)**2.13 Pensions****Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.14 Borrowing costs

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

2.15 Taxation

Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 operates and generates income.

The carrying value of any deferred tax asset or liability is not considered to be material to the financial statements and is not provided for at the year end.

AUDIO VISUAL MATERIAL LIMITED

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

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

In applying the Company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The critical judgements that the directors have made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

(i) Assessing indicators of impairment

In assessing whether there have been any indicators of impairment assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

(i) Recoverability of receivables

The Company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the directors consider factors such as the aging of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers.

(ii) Determining residual values and useful economic lives of hire equipment

The Company depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgment is applied by management when determining the residual values for hire equipment. When determining the residual value management aim to assess the amount that the Company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

AUDIO VISUAL MATERIAL LIMITED

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

3. Judgments in applying accounting policies (continued)

(iii) Stock obsolescence and write downs

Stocks are stated at the lower of cost and net realisable value. The directors estimate the net realisable value of investment based on an assessment of committed sales prices. Stocks are reviewed on a regular basis and the directors will make allowance for excess or obsolete stock and write down to net realisable value based primarily on historical trends and management estimates of expected and future product demand and related pricing.

Demand levels, exchange rates, technological advances and pricing competition could change from time to time. If such factors result in an adverse effect on the company's products, the company may be required to reduce the value of its inventories and additional allowance for slow moving inventories may be required.

4. Auditor's remuneration

	2017 £	2016 £
Audit of the Company's annual financial statements	8,000	5,625
Fees payable to the Company's auditor in respect of:		
Taxation compliance services	1,250	1,000
All other services	1,450	1,250
	2,700	2,250

5. Employees

The average monthly number of employees, including directors, during the year was 19 (2016 - 17).

AUDIO VISUAL MATERIAL LIMITED

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

6. Tangible fixed assets

	Fixtures, fittings and equipment £	Hire equipment £	Total £
Cost			
At 1 January 2017	206,006	628,856	834,862
Additions	6,620	92,845	99,465
At 31 December 2017	<u>212,626</u>	<u>721,701</u>	<u>934,327</u>
Depreciation			
At 1 January 2017	148,350	359,671	508,021
Charge for the year	16,274	118,731	135,005
At 31 December 2017	<u>164,624</u>	<u>478,402</u>	<u>643,026</u>
Net book value			
At 31 December 2017	<u>48,002</u>	<u>243,299</u>	<u>291,301</u>
At 31 December 2016	<u>57,656</u>	<u>269,185</u>	<u>326,841</u>

Hire purchase liabilities totalling £68,634 (2016: £171,586) are secured against hire equipment.

7. Stocks

	2017 £	2016 £
Finished goods and goods for resale	754,485	743,923
	<u>754,485</u>	<u>743,923</u>

Stock recognised in cost of sales during the year as an expense was £6,106,710 (2016 - £6,286,143).

AUDIO VISUAL MATERIAL LIMITED

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

8. Debtors

	2017	As restated 2016
	£	£
Trade debtors	669,427	1,079,420
Amounts owed by group undertakings	805,156	113,751
Prepayments and accrued income	94,292	94,480
	<u>1,568,875</u>	<u>1,287,651</u>

9. Cash and cash equivalents

	2017	As restated 2016
	£	£
Cash at bank and in hand	55,637	202,019
Less: bank overdrafts	(334,576)	(226,104)
	<u>(278,939)</u>	<u>(24,085)</u>

10. Creditors: Amounts falling due within one year

	2017	As restated 2016
	£	£
Bank overdrafts	334,576	226,104
Trade creditors	517,054	578,856
Amounts owed to group undertakings	904	2,672
Corporation tax	54,126	29,986
Other taxation and social security	155,478	169,575
Obligations under finance lease and hire purchase contracts	68,634	102,952
Other creditors	41	2,912
Accruals and deferred income	56,756	82,492
	<u>1,187,569</u>	<u>1,195,549</u>

AUDIO VISUAL MATERIAL LIMITED

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

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

	2017 £	2016 £
Net obligations under finance leases and hire purchase contracts	-	68,634
	<u>-</u>	<u>68,634</u>

12. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2017 £	2016 £
Within one year	68,634	102,952
Between 1-5 years	-	68,634
	<u>68,634</u>	<u>171,586</u>

Hire purchase liabilities totalling £68,634 (2016: £171,586) are secured against hire equipment.

13. Prior year restatement

A prior year adjustment has been made to reclassify items of income and expenditure within the Statement of Comprehensive Income and assets and liabilities within the Statement of Financial Position to more appropriately reflect the classification of the expense in accordance with FRS 102. There has been no impact on profit or net assets as a result of the reclassifications.

The prior year reported revenue and cost of sales have decreased by £48,674 and £56,230 respectively whilst administrative costs have increased by £7,557. This adjustment relates to the representation of supplier rebate income.

Cash balances totalling £201,519 previously net off against a bank overdraft within creditors have been represented gross within the year end Statement of Financial Position. There has also been a reclassification between debtors and creditors totalling £2,887.

14. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £14,728 (2016 - £16,757). Contributions totalling £2,789 (2016 - £2,605) were payable to the fund at the reporting date and are included in creditors.

AUDIO VISUAL MATERIAL LIMITED

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

15. Commitments under operating leases

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

	2017 £	2016 £
Not later than 1 year	86,269	89,936
Later than 1 year and not later than 5 years	77,387	153,652
	<u>163,656</u>	<u>243,588</u>

16. Other financial commitments

The company is party to an unsecured multilateral guarantee given in respect of the bank loans, overdrafts and invoice discounting facilities to the company and other group companies. The combined net amounts owed to the Group's bankers at the year end was £5.2m (2016: £1.9m).

17. Related party transactions

The Company is a wholly-owned member of SEA Holdings Limited Group and as such has taken advantage of the exemption permitted by Section 33 Related Party Disclosures, not to provide disclosures of transactions entered into with other wholly-owned members of the Group.

18. Controlling party

The company's immediate parent undertaking is SEA Holdings Limited incorporated in England and Wales.

The ultimate parent company is SEA Holdings (UK) Limited incorporated in England and Wales. The directors do not believe there to be an ultimate controlling party of SEA Holdings (UK) Limited.