

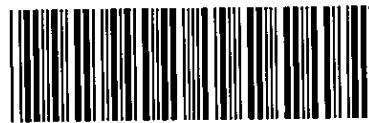
**Company Registration No. 2503356**

**Goldcrest Investment Holdings Limited**

**Report and Financial Statements**

**For the year ended 29 December 2011**

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# **Goldcrest Investment Holdings Limited**

## **Report and financial statements 2011**

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# **Goldcrest Investment Holdings Limited**

## **Officers and professional advisers**

### **Directors**

J Quested  
N Quested  
C Quested (appointed 25 September 2012)

### **Secretary**

Artatus Limited

### **Registered Office**

235 Old Marylebone Road  
London  
NW1 5QT

### **Bankers**

Coutts & Co  
440 The Strand  
London  
WC2R 0QS

### **Solicitors**

Marriott Harrison  
12 Great James Street  
London  
WC1N 3DR

Charles Russell  
8/10 New Fetter Lane  
London  
EC4A 1RS

### **Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London

# Goldcrest Investment Holdings Limited

## Directors' report

The directors present their annual report on the affairs of the Group, together with the financial statements and auditors' report, for the year ended 29 December 2011. The opening balance figures are for the period ended 29 December 2010.

### Principal activities

The principal activities of the Group are film and television services, comprise the licensing, production, post-production, financing, marketing and distribution of film and television programmes.

### Business review

The profit after taxation for the year amounted to £796,000 (2010 profit of £467,000). Revenues of £21.3m were achieved (2010 £44.1m), the 2010 result being significantly higher due as a result of first cycle new royalties generated from film investments.

During the year the Group bought out the minority interest partner of a 60% subsidiary for a nominal fee. Prior to the acquisition a distribution of £675,000 was made split between the majority and minority interests (2010 drawing of £150,000 split between the majority and minority interests).

### Going concern

After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in the financial statements.

### Financial risk management objectives and policies

The Group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The company does not use derivatives to manage its financial risks.

#### *Credit risk*

The Group's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

#### *Cash flow risk*

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

#### *Liquidity risk*

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of long-term and short-term debt finance.

Further details regarding the liquidity risk can be found in the Statement of accounting policies in the financial statements.

# Goldcrest Investment Holdings Limited

## Directors' report (continued)

### Directors and directors' interests

The directors, who served throughout the year and to date, were as follows

J Qusted (Chairman)

N Qusted

C Qusted (appointed 25 September 2012)

The directors' interests in the share capital of the company are as follows

	Ordinary shares of £1 each	
	2011	2010
J Qusted	42,500	42,500

The directors do not have any interests in the share capital of any other group company. No other director had any interests in the share capital of the company at either 29 December 2011 or 29 December 2010 or during the year.

### Auditor

Each of the persons who is a director at the date of approval of this report confirms 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 he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by



C Qusted  
Director

27 September 2012

# **Goldcrest Investment Holdings Limited**

## **Statement of directors' responsibilities**

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 Group and of the profit or loss of the Group for that year. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- 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 Group's transactions with reasonable accuracy at any time, the financial position of 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent auditor's report to the members of Goldcrest Investment Holdings Limited**

We have audited the consolidated financial statements of Goldcrest Investment Holdings Limited ('the Group') for the year ended 29 December 2011 which comprise the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the consolidated and company balance sheets, the consolidated cash flow statement, and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Group'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 Group and the Group'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 more fully explained in the Directors' Responsibilities Statements, 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 Auditing Practice Board's Ethical Standards for Auditors.

### **Scope of the audit of financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion**

In our opinion the financial statements

- give a true and fair view of the state of the group and the parent company's affairs as at 29 December 2011 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.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **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, 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.

*M. R. Lee-Amies*

Mark Lee-Amies (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom  
27 September 2012

# Goldcrest Investment Holdings Limited

## Consolidated profit and loss account For the year ended 29 December 2011

		Year ended 29 December 2011 £'000	Period ended 29 December 2010 £'000
	Notes		
Turnover	1, 2	21,319	44,137
Cost of sales		(13,496)	(37,864)
<b>Gross profit</b>		<b>7,823</b>	<b>6,273</b>
Other income		1,369	743
Administrative expenses		(8,122)	(6,194)
<b>Profit on ordinary activities before finance charges</b>		<b>1,070</b>	<b>822</b>
Finance charges (net)		(178)	(293)
<b>Profit on ordinary activities before taxation</b>		<b>892</b>	<b>529</b>
Tax on profit on ordinary activities	6	(96)	(62)
<b>Profit on ordinary activities after taxation</b>		<b>796</b>	<b>467</b>
<b>Attributable to</b>			
Equity holders of the parent		641	358
Equity minority interests		155	109
<b>Profit for the financial year/period</b>	18	<b>796</b>	<b>467</b>



## **Goldcrest Investment Holdings Limited**

### **Consolidated statement of total recognised gains and losses For the year ended 29 December 2011**

		<b>Year ended 29 December 2011 £'000</b>	<b>Period ended 29 December 2010 £'000</b>
	<b>Note</b>		
Profit for the financial year/period		796	467
Currency translation difference on foreign currency net investments	18	-	(103)
<b>Total recognised gains and losses relating to the year/period</b>		<b>796</b>	<b>364</b>

# Goldcrest Investment Holdings Limited

## Consolidated balance sheet As at 29 December 2011

	Notes	29 December 2011 £'000	29 December 2010 £'000
<b>Fixed assets</b>			
Intangible assets	8	478	560
Tangible assets	9	3,944	4,202
		<u>4,422</u>	<u>4,762</u>
<b>Current assets</b>			
Stocks	11	9	13
Debtors – due within one year	12	20,199	27,092
Investments	13	742	656
Cash at bank and in hand		1,568	2,014
		<u>22,518</u>	<u>29,775</u>
<b>Creditors' amounts falling due within one year</b>	14	<u>(34,039)</u>	<u>(40,959)</u>
<b>Net current liabilities</b>		<u>(11,521)</u>	<u>(11,184)</u>
<b>Total assets less current liabilities</b>		<u>(7,099)</u>	<u>(6,422)</u>
<b>Creditors: amounts falling due after more than one year</b>	15	<u>(145)</u>	<u>(943)</u>
<b>Net liabilities</b>		<u>(7,244)</u>	<u>(7,365)</u>
<b>Capital and reserves</b>			
Called up share capital	16, 17	43	43
Share premium account	17	165	165
Capital redemption reserve	17	1,434	1,434
Profit and loss account	17	(8,886)	(9,007)
<b>Shareholders' deficit</b>		<u>(7,244)</u>	<u>(7,365)</u>
<b>Equity attributable to parent company</b>		<u>(6,966)</u>	<u>(7,243)</u>
<b>Minority interests</b>	19	<u>(278)</u>	<u>(122)</u>
<b>Total capital employed</b>	18	<u>(7,244)</u>	<u>(7,365)</u>

The financial statements of Goldcrest Investment Holdings Limited (registered number 2503356) were approved by the board of directors and authorised for issue on 27 September 2012. They were signed on its behalf by



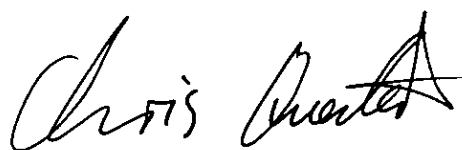
C Quested  
Director

# Goldcrest Investment Holdings Limited

## Company balance sheet As at 29 December 2011

	Notes	29 December 2011 £'000	29 December 2010 £'000
<b>Fixed assets</b>			
Investments	10	11,394	11,394
		<u>11,394</u>	<u>11,394</u>
<b>Current assets</b>			
Debtors – due within one year	12	3,737	3,682
Cash at bank and in hand		-	2
		<u>3,737</u>	<u>3,684</u>
<b>Creditors: amounts falling due within one year</b>	14	(9,797)	(9,774)
<b>Net current liabilities</b>		<u>(6,060)</u>	<u>(6,090)</u>
<b>Net assets</b>		<u>5,334</u>	<u>5,304</u>
<b>Capital and reserves</b>			
Called up share capital	16	43	43
Share premium account	17	165	165
Profit and loss account	17	5,126	5,096
<b>Shareholders' funds</b>		<u>5,334</u>	<u>5,304</u>

The financial statements of Goldcrest Investment Holdings Limited (registered number 2503356) were approved by the board of directors and authorised for issue on 27 September 2012. They were signed on its behalf by



C Quested  
Director

# Goldcrest Investment Holdings Limited

## Consolidated cash flow statement For the year ended 29 December 2011

		<b>Year ended 29 December 2011 £'000</b>	<b>Period ended 29 December 2010 £'000</b>
	<b>Notes</b>		
<b>Net cash inflow from operating activities</b>	20	1,178	1,843
Returns on investments and servicing of finance	21	(181)	(269)
Taxation	21	(51)	(19)
Capital expenditure and financial investment	21	(594)	(1,411)
Drawings by minority interest partners	21	(387)	(150)
		<hr/>	<hr/>
<b>Cash outflow before management of liquid resources and financing</b>		(35)	(6)
Financing	21	(411)	(189)
		<hr/>	<hr/>
<b>Decrease in cash in the year/period</b>		<u>(446)</u>	<u>(195)</u>

# Goldcrest Investment Holdings Limited

## Notes to the financial statements For the year ended 29 December 2011

### 1. Accounting policies

The principal accounting policies are summarised below. The particular accounting policies adopted are described below and have been applied consistently in both years.

#### Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

#### Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 29 December 2011 (and up to 29 December 2010 in the prior year). The results of subsidiaries acquired or sold are consolidated for the years from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

#### Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 2.

The Group meets its day to day working capital requirements through the intercompany transfer of funds throughout the Group. The Group has external debt which is repayable when the Group and the counterparty agree that the Group should do so. The counterparty has confirmed that it will not seek repayment of amounts owing in the next twelve months (see note 14). In addition, the Group has valuable assets with its film library and freehold New York property.

The current economic conditions create uncertainty particularly over (a) the level of demand for the Group's products, particularly in respect of its post-production and DVD/Blu-Ray authoring operations, and (b) the exchange rate between sterling and US dollar and thus the consequence for the transatlantic movement of cash around the Group.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current cash flows. After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern bases in preparing the annual report and accounts.

#### Intangible assets – film library

Films in production are included at cost, including finance costs, and an appropriate proportion of overheads.

Films produced or acquired for distribution are included at the lower of cost and estimated net realisable value. Cost includes production costs and overheads or acquisition costs where appropriate.

Films held as intangible assets are amortised as a percentage of the current revenue over the total revenue expected in the following six years.

The market value of certain individual films may exceed book value.

# Goldcrest Investment Holdings Limited

## Notes to the financial statements For the year ended 29 December 2011

### 1. Accounting policies (continued)

#### Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold building	-	5%
Leasehold improvements	-	5%
Studio equipment	-	20%
Fixtures, fittings and office equipment	-	20-33%

Residual value is calculated on prices prevailing at the date of acquisition or revaluation.

#### Investments

Except as stated below, fixed asset investments are shown at cost less provision for impairment. Current asset investments, representing investments in content, are stated at the lower of cost and net realisable value.

#### Stocks

Stocks are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

#### Long-term contracts

Amounts recoverable on long-term contracts, which are included in debtors, are stated at the net sales value of the work done less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account. Cumulative costs incurred net of amounts transferred to cost of sales, less provision for contingencies and anticipated future losses on contracts, are included as long-term contract balances in stock.

#### Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

# Goldcrest Investment Holdings Limited

## Notes to the financial statements For the year ended 29 December 2011

### 1. Accounting policies (continued)

#### Turnover

Turnover is stated net of VAT and trade discounts. Film and television royalties, as well as advanced minimum guarantees, are recognised at the point at which a reliable estimate can be made. For all other income streams, turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where a contract has only been partially completed at the balance sheet date, turnover represents the value of the service provided to date based on a proportion of the total contract value. Where payments are received from customers in advance of services provided, the amounts are recorded as Deferred Income and included as part of Creditors due within one year.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated by reference to the value of work performed to date as a proportion of the total contract value.

#### Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the year and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and on foreign currency borrowings are reported in the statement of total recognised gains and losses. All other exchange differences are included in the profit and loss account.

#### Leases

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the year of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the year to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter year is used.

#### Finance costs

Finance costs of financial liabilities are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

#### Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

# Goldcrest Investment Holdings Limited

## Notes to the financial statements For the year ended 29 December 2011

### 2. Segment information

#### Turnover by class of business:

	Year ended 29 December 2011 £'000	Period ended 29 December 2010 £'000
Film licensing, marketing and distribution	1,944	1,989
Post-production services	5,625	4,818
Film financing	12,955	36,896
DVD and Blu-Ray authoring	795	434
	<u>21,319</u>	<u>44,137</u>

#### Turnover by geographical segment.

	Year ended 29 December 2011 £'000	Period ended 29 December 2010 £'000
United Kingdom	17,972	40,708
United States of America	3,347	3,429
	<u>21,319</u>	<u>44,137</u>

### 3. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging

	Year ended 29 December 2011 £'000	Period ended 29 December 2010 £'000
Depreciation of tangible fixed assets		
Owned	629	587
held under finance leases and hire purchase contracts	152	94
Amortisation of film library	82	61
Fees payable to the Company's auditor for the audit of the Company's annual accounts	80	119
tax services	-	-
Loss on foreign exchange	36	63

Fees payable to Deloitte LLP and their associates for the provision of non-audit services to Goldcrest Investment Holdings (company only) were £nil (2010 £nil)



# Goldcrest Investment Holdings Limited

## Notes to the financial statements For the year ended 29 December 2011

### 4. Staff costs

The average monthly number of employees (including executive directors) was

	Year ended 29 December 2011 Number	Period ended 29 December 2010 Number
Production and post-production	35	39
Sales, marketing and distribution	10	5
Administration	46	34
	<u>91</u>	<u>78</u>

Their aggregate remuneration comprised

	Year ended 29 December 2011 £'000	Period ended 29 December 2010 £'000
Wages and salaries	3,569	2,803
Social security costs	356	269
Pension contribution	19	24
	<u>3,944</u>	<u>3,096</u>

### 5. Directors' remuneration and transactions

	Year ended 29 December 2011 £'000	Period ended 29 December 2010 £'000
Directors' remuneration		
Emoluments	<u>95</u>	<u>98</u>
Remuneration of the highest paid director		
Emoluments	<u>64</u>	<u>65</u>

#### Directors' transactions

Details of transactions with directors during the year are disclosed in note 23

# Goldcrest Investment Holdings Limited

## Notes to the financial statements For the year ended 29 December 2011

### 6. Tax on profit on ordinary activities

The tax charge comprises

	Year ended 29 December 2011 £'000	Period ended 29 December 2010 £'000
<b>Current tax</b>		
UK corporation tax	(93)	(49)
Prior year adjustment	-	-
Overseas' tax	(3)	(13)
<b>Total current tax charge</b>	<b>(96)</b>	<b>(62)</b>
Deferred tax	-	-
<b>Total tax charge</b>	<b>(96)</b>	<b>(62)</b>

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

	Year ended 29 December 2011 £'000	Period ended 29 December 2010 £'000
<b>Profit on ordinary activities before tax</b>		
Less share of associates' profit before tax	892	529
<b>Tax charge on Group profit on ordinary activities at standard UK corporation tax rate of 26.5% (2010: 28%)</b>	<b>(362)</b>	<b>(148)</b>
Effects of		
Expenses not deductible for tax purposes	41	(53)
Short term timing differences	-	-
Capital allowances in excess of depreciation	45	(16)
Effect of marginal relief	1	2
Group relief (surrendered)/received	-	-
Losses utilised/(carried forward)	102	(109)
Prior year adjustment	-	-
Effect of small companies' rate	-	1
Effect of overseas' tax	77	187
Partnership profits taxed in the hand of Partners	-	74
<b>Current tax charge for year</b>	<b>(96)</b>	<b>(62)</b>

At the year end, the company had carried forward tax losses of £20.4m (2010: £20.6m). No deferred tax asset has been recognised in respect of these losses as well as short term timing differences and capital allowances as it is not certain that the company will make sufficient future profits with which to offset them. The company also had capital losses of £6m at the year end (2010: £6m). No deferred tax asset has been recognised in respect of these capital losses as it is not certain that the company will generate sufficient capital gains in the future with which to offset them. The amount of the deferred tax assets not recognised at 29 December 2011 is £6.7m (2010: £7.3m). This asset would be recovered if sufficient profits were made in the same trade.

# Goldcrest Investment Holdings Limited

## Notes to the financial statements For the year ended 29 December 2011

### 7 Profit attributable to the Company

The profit for the financial year dealt with in the financial statements of the parent Company was £30,000 (2010 profit of £144,000) As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account is presented in respect of the parent Company

### 8. Intangible fixed assets – film library

	<b>Group £'000</b>
<b>Cost</b>	
At 29 December 2010	1,821
Additions	-
At 29 December 2011	<u>1,821</u>
<b>Amortisation</b>	
At 29 December 2010	1,261
Charge for the year	82
At 29 December 2011	<u>1,343</u>
<b>Net book value</b>	
At 29 December 2011	<u>478</u>
At 29 December 2010	<u>560</u>

### 9. Tangible fixed assets

<b>Group</b>	<b>Land and buildings £'000</b>	<b>Leasehold improve- ments £'000</b>	<b>Fixtures, fittings and Office equipment £'000</b>	<b>Studio equipment £'000</b>	<b>Assets held under finance leases £'000</b>	<b>Total £'000</b>
<b>Cost or valuation</b>						
At 29 December 2010	1,387	3,116	1,622	3,102	369	9,596
Additions	21	93	186	134	72	506
Exchange adjustment	10	19	1	5	1	36
At 29 December 2011	<u>1,418</u>	<u>3,228</u>	<u>1,809</u>	<u>3,241</u>	<u>442</u>	<u>10,138</u>
<b>Depreciation</b>						
At 29 December 2010	(608)	(1,606)	(669)	(2,409)	(102)	(5,394)
Charge for the year	(56)	(153)	(189)	(231)	(152)	(781)
Exchange adjustment	(5)	(11)	-	(2)	(1)	(19)
At 29 December 2011	<u>(669)</u>	<u>(1,770)</u>	<u>(858)</u>	<u>(2,642)</u>	<u>(255)</u>	<u>(6,194)</u>
<b>Net book value</b>						
At 29 December 2011	<u>749</u>	<u>1,458</u>	<u>951</u>	<u>599</u>	<u>187</u>	<u>3,944</u>
At 29 December 2010	<u>779</u>	<u>1,510</u>	<u>953</u>	<u>693</u>	<u>267</u>	<u>4,202</u>

# Goldcrest Investment Holdings Limited

## Notes to the financial statements For the year ended 29 December 2011

### 10. Fixed asset investments

	Group		Company	
	29 December 2011 £'000	29 December 2010 £'000	29 December 2011 £'000	29 December 2010 £'000
Subsidiary undertakings	-	-	11,394	11,394

#### Principal Group investments

The parent Company and the Group have investments in the following subsidiary undertakings, associates and other investments which principally affected the profits or net assets of the Group. To avoid a statement of excessive length, details of investments which are not significant have been omitted.

	Country of incorporation or principal business address	Principal activity	Holding	%
Subsidiary undertakings				
Goldcrest Films International Ltd +	Great Britain	Film licensing	Ordinary	100
Goldcrest Films International Inc	USA	Film licensing	Ordinary	100
Goldcrest Post Production Facilities Ltd +	Great Britain	Post-production	Ordinary	100
Goldcrest Post Production Ltd +	USA	Post-production	Ordinary	100
Goldcrest Group Ltd +	Great Britain	Dormant	Ordinary	100
The Pavement Studios Ltd +	Great Britain	DVD authoring	Ordinary	75
Goldcrest Films Finance LLP	Great Britain	Film financing	Ordinary	100
Goldcrest Pictures Ltd	Great Britain	Film financing	Ordinary	100
Goldcrest Acquisitions Ltd	Great Britain	Film financing	Ordinary	100
Goldcrest Capital Partners LLP	Great Britain	Film financing	Ordinary	100
Goldcrest Capital Holdings Ltd	Great Britain	Film financing	Ordinary	100
Goldcrest Capital Ltd	Great Britain	Film financing	Ordinary	100
Goldcrest Media Consulting Ltd	Great Britain	Film financing	Ordinary	100

+ Held directly by Goldcrest Investment Holdings Limited

At the start of the year Goldcrest Investment Holdings Limited held a 60 per cent interest in Goldcrest Film Finance LLP and Goldcrest Capital Partners LLP, both partnerships governed by English law. On 30 June 2011 Goldcrest Investment Holdings Limited acquired the remaining 40 per cent for a nominal fee. Goldcrest Film Finance LLP and Goldcrest Capital Partners LLP's head office is 235 Old Marylebone Road, London NW1 5QT.

Goldcrest Investment Holdings Limited has taken advantage of the exemption in Regulation 7 of the Partnerships (Accounts) Regulations 2008 from the requirements for preparation, delivery and publication of accounts, in relation to its membership of Goldcrest Film Finance LLP and Goldcrest Capital Partners LLP.

Historically Goldcrest Film Finance LLP, Goldcrest Capital Partners LLP and their subsidiaries had been treated as subsidiary undertakings because the Group exercises control over this investment, directing its financial and operating policies.

# Goldcrest Investment Holdings Limited

## Notes to the financial statements For the year ended 29 December 2011

### 11. Stocks

	Group		Company	
	29 December 2011 £'000	29 December 2010 £'000	29 December 2011 £'000	29 December 2010 £'000
Finished goods and goods for resale	9	13	-	-

There is no material difference between the balance sheet value of stocks and their replacement cost

### 12. Debtors – due within one year

	Group		Company	
	29 December 2011 £'000	29 December 2010 £'000	29 December 2011 £'000	29 December 2010 £'000
Amounts falling due within one year				
Trade debtors	7,700	7,763	-	-
Amounts owed by Group undertakings	-	-	3,737	3,682
Amounts owed by directors	527	595	-	-
Other debtors	355	816	-	-
Prepayments and accrued income	11,617	17,918	-	-
	<u>20,199</u>	<u>27,092</u>	<u>3,737</u>	<u>3,682</u>

### 13. Current asset investments

	Group £'000	Company £'000
Balance at 29 December 2010	656	-
Additions	536	-
Disposals	(450)	-
Balance at 29 December 2011	<u>742</u>	<u>-</u>

# Goldcrest Investment Holdings Limited

## Notes to the financial statements For the year ended 29 December 2011

### 14. Creditors, amounts falling due within one year

	Group		Company	
	29 December 2011 £'000	29 December 2010 £'000	29 December 2011 £'000	29 December 2010 £'000
Trade creditors	4,216	3,346	-	-
Obligations under finance leases and hire purchase contracts	98	151	-	-
Amounts owed to Group undertakings	-	-	9,788	9,742
VAT payable	2,987	3,657	-	-
Taxation and social security	135	96	-	-
Other creditors	950	1,017	-	-
Accruals and deferred income	13,153	20,192	9	32
Loan stock	5,700	5,700	-	-
Other loans	6,800	6,800	-	-
	<u>34,039</u>	<u>40,959</u>	<u>9,797</u>	<u>9,774</u>

The loan stock balance is held within Goldcrest Group Limited and represents 6% Guaranteed Unsecured Loan Stock 1997 which was created following the acquisition of Goldcrest Films and Television (Holdings) Limited on 15 October 1987. Under the terms of the Loan Stock Deed, the Loan Stock was redeemable at par on 1 October 1997. On 11 July 1997 the loan stock was sold by the original holders to a third party. Goldcrest Investment Holdings Limited, acted in the sale as nominee for the third party, and has no beneficial interest in the Loan Stock.

The third party has confirmed that, whilst the Loan Stock and additional loan balance of £6.8m are now redeemable at par on demand, they will not call for redemption of the Loan Stock, nor the additional loan balance, for at least twelve months following the date of approval of these financial statements and that they intend to continue to support the company for the foreseeable future.

# Goldcrest Investment Holdings Limited

## Notes to the financial statements For the year ended 29 December 2011

### 15. Creditors: amounts falling due after more than one year

	Group		Company	
	29 December 2011 £'000	29 December 2010 £'000	29 December 2011 £'000	29 December 2010 £'000
<b>Other creditors</b>				
Obligations under finance leases and hire purchase contracts	62	75	-	-
Other long term liabilities	83	868	-	-
	<u>145</u>	<u>943</u>	<u>-</u>	<u>-</u>

Borrowings are repayable as follows

	Group		Company	
	29 December 2011 £'000	29 December 2010 £'000	29 December 2011 £'000	29 December 2010 £'000
<b>Finance leases</b>				
Between one and two years	62	75	-	-
Between two and five years	-	-	-	-
After five years	-	-	-	-
	<u>62</u>	<u>75</u>	<u>-</u>	<u>-</u>
<b>Other loans</b>				
Between one and two years	83	-	-	-
Between two and five years	-	-	-	-
After five years	-	-	-	-
	<u>83</u>	<u>-</u>	<u>-</u>	<u>-</u>

### 16 Share capital

	29 December 2011 £'000	29 December 2010 £'000
<b>Authorised</b>		
At 29 December 2010 and 29 December 2011	<u>50</u>	<u>50</u>
<b>Called up, allotted and fully paid:</b>		
At 29 December 2010 and 29 December 2011	<u>43</u>	<u>43</u>

# Goldcrest Investment Holdings Limited

## Notes to the financial statements For the year ended 29 December 2011

### 17. Reserves

	Share premium account £'000	Capital redemption reserve £'000	Own shares £'000	Profit and loss account £'000	Total £'000
<b>Group</b>					
At 29 December 2010	165	1,434	43	(9,007)	(7,365)
Profit for the financial year	-	-	-	796	796
Drawings	-	-	-	(675)	(675)
	<u>165</u>	<u>1,434</u>	<u>43</u>	<u>(8,886)</u>	<u>(7,244)</u>
At 29 December 2011	165	1,434	43	(8,886)	(7,244)
<b>Company</b>					
At 29 December 2010	165	-	43	5,096	5,304
Profit for the financial year	-	-	-	30	30
	<u>165</u>	<u>-</u>	<u>43</u>	<u>5,126</u>	<u>5,334</u>
At 29 December 2011	165	-	43	5,126	5,334

### 18 Reconciliation of movements in Group shareholders' deficit

	29 December 2011 £'000	29 December 2010 £'000
Profit for the financial year	796	467
Drawings	(675)	(150)
Net addition to shareholders' deficit	<u>121</u>	<u>317</u>
Opening shareholders' deficit as previously stated	(7,365)	(7,579)
Foreign exchange difference	-	(103)
Opening shareholders' deficit	<u>(7,365)</u>	<u>(7,682)</u>
Closing shareholders' deficit	<u>(7,244)</u>	<u>(7,365)</u>

### 19. Minority interests

	£'000
At 29 December 2010	(122)
Profit on ordinary activities after taxation	155
Acquisition of subsidiary undertaking	(698)
Drawings by minority interest partners	387
At 29 December 2011	<u>(278)</u>



# Goldcrest Investment Holdings Limited

## Notes to the financial statements For the year ended 29 December 2011

### 20. Reconciliation of operating profit to operating cash flows

	29 December 2011 £'000	29 December 2010 £'000
Operating profit	1,070	822
Depreciation and amortisation	863	742
Decrease/(increase) in stocks	4	(7)
Decrease/(increase) in debtors	6,892	(17,265)
(Decrease)/increase in creditors	(7,651)	17,551
<b>Net cash inflow from operating activities</b>	<b>1,178</b>	<b>1,843</b>

### 21 Analysis of cash flows

	29 December 2011 £'000	29 December 2010 £'000
<b>Returns on investments and servicing of finance</b>		
Interest received	(8)	(48)
Interest paid	151	301
Interest element of finance lease rentals	38	16
Drawings by minority interests	387	150
<b>Net cash outflow</b>	<b>568</b>	<b>419</b>
<b>Taxation</b>		
UK corporation tax paid	48	6
Foreign tax paid	3	13
<b>Net cash outflow</b>	<b>51</b>	<b>19</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	506	1,155
Purchase of investments	538	656
Sale of investments	(450)	(400)
<b>Net cash outflow</b>	<b>594</b>	<b>1,411</b>
<b>Financing</b>		
Issue of shares of subsidiary undertaking to minority interests	-	-
Decrease in short-term borrowings	-	49
Repayment of secured loan	200	65
Capital element of finance lease rental payments	201	138
Foreign exchange	-	(63)
<b>Net cash inflow</b>	<b>411</b>	<b>189</b>

# Goldcrest Investment Holdings Limited

## Notes to the financial statements For the year ended 29 December 2011

### 22. Analysis and reconciliation of net debt

	29 December 2010 £'000	Cash flow £'000	29 December 2011 £'000
Cash in hand, at bank	2,014	(446)	1,568
Overdrafts	-	-	-
		(446)	
Debt due within 1 year	(12,500)	(374)	(12,874)
Debt due after 1 years	(308)	225	(83)
Finance leases	(226)	66	(160)
		(83)	
Net debt	(11,020)	(529)	(11,549)

	29 December 2011 £'000	29 December 2010 £'000
Decrease in cash in the year	446	195
Cash inflow from increase in debt and lease financing	15	167
Change in net debt resulting from cash flows	461	362
Loans and finance leases acquired with subsidiary	-	-
New finance leases	68	112
Translation difference	-	63
Movement in net debt in year	529	537
Net debt at 29 December 2010	11,020	10,483
Net debt at 30 December 2011	11,549	11,020

## **Goldcrest Investment Holdings Limited**

### **Notes to the financial statements For the year ended 29 December 2011**

#### **23. Related party transactions**

##### **Directors' transactions**

An unsecured interest free loan, made to a director, was outstanding during the year. The amount of the liability to the Company at the beginning of the year was £595,000, and at the end of the year was £527,000.

##### **Other related party transactions**

An unsecured interest free loan, made by a minority interest director to The Pavement Studios Limited, was repaid during the year. The amount of the liability to the director at the beginning of the year was £30,000.

#### **24. Controlling party**

Mr John Quested, a director of the Company, and members of his close family, control the Company as a result of controlling, directly or indirectly, 100 per cent of the issued share capital of the Company.