

Content Media Corporation International Limited

Financial statements
For the year ended 31 March 2016



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Strategic report

Overview

The Company's principal activities are in the areas of the development, production, sales, distribution, financing, marketing and exploitation of entertainment based intellectual property rights, with particular emphasis on feature films, TV programming and digital rights exploitation. The Company operates a centralised sales team capable of distributing films and TV/digital programmes throughout the world.

Key performance indicators

The board considers the Group's key performance indicators are:

- Normalised EBITDA of £1,004,954 (2015: £2,021,612);
- Normalised PBT of £1,449,226 (2015: £2,264,318).

These numbers are reached by adding back the exceptional and depreciation expenses of £22,984,719 (2015: £28,438,116) and £6,025 (2015: £6,639) to the loss for the year after exceptionals and the loss before tax of £21,985,790 (2015: £26,423,143) and £21,541,518 (2015: £26,180,437) respectively.

The board considers that these performance indicators demonstrate that the Company has had a reasonable result for the year ended 31 March 2016 notwithstanding the loss for the year. The Company does not have any non-financial key performance indicators.

Business Review of Operations

The film and TV division has had a good year. However, EBITDA did decrease from £2.0m to £1.0m.

The film division saw pleasing sales of several individual titles such as Janis and Don't Knock Twice; additionally good sales were made on various library titles, including continued benefits from royalties from its extensive library. Overheads were in line with previous years.

The largest revenue earners in the TV division were for Heartland 6, Line of Duty 3, Sinatra: All or Nothing, Olympus and The Emmys. Overhead was in line with previous years.

Key Risk analysis

The principal risks and uncertainties of the Company are broadly grouped into business risks and financial risks:

Business risk management

Supplier risks

The Company closely monitors the availability of new film, television, digital and DVD product such that it can negotiate the acquisition of new product on acceptable terms to the Company.

Customer Risks

The Company operates in a market that is subject to fluctuations. The Company closely monitors its markets to ensure ongoing levels of demand for the Company's film, television, digital and DVD products.

Legal risks

The Company relies on intellectual property and copyright law in territories throughout the world and takes protective action in relation to its copyright and intellectual property rights where appropriate.

Strategic report (*continued*)

Financial risk management

Financial assets risks

The Company manages its cash balances so as to maximise the interest returns by placing them on short term deposit.

Liquidity risk

The Company's policy is, wherever possible, to obtain external project specific financing for significant commitments. The maturity of such financing is generally matched by the maturity of the related project revenues.

Foreign currency risk

A significant part of the Company's sales are to distributors and broadcasters throughout the world and these are usually denominated in US dollars or Euros. The Group has no formal policy on the hedging of foreign currency risk in respect of these sales, but does take advice from its bankers and as appropriate, will use forward foreign exchange contracts to mitigate foreign currency risks. There were no forward contracts at year end and foreign exchange assets of the Group are generally matched by liabilities, including liabilities to third party participants.

Credit risk

The Company closely monitors its credit risk. All customer contracts are reviewed by the finance department before they are signed and credit risks are identified through the Group's previous experience with the particular customer and any available market intelligence.

Financial instruments

It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken.

Looking to the Future

We continue to see the Company growing, both in its core Film and TV sales divisions.

This report was approved by the Board of Directors of Content Media Corporation International Limited and signed on its behalf by:



Geoffrey Webb

Company Secretary and Chief Financial Officer

22 December 2016

Content Media Corporation International Limited
19-21 Heddons Street
London
W1B 4BG

Registered Number: 3040413

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2016.

Principal activity and business review

The principal activity of the company is as a sales agent for film and television producers and licensors.

The company expects to continue to exploit its existing film and television rights in the future, and to acquire new rights outright or rights it will control and sell on behalf of third party producers.

Results and dividends

The loss for the financial year before tax was £21,838,039 (2015: loss £26,180,437).

No dividends were paid or proposed during the year (2015: £nil).

The board considers the company's key performance indicator is profit before tax as above.

Exceptional items

The company has taken up provisions against the amounts owed by intercompany debtors to the extent that those amounts are not covered by the net assets of those companies. For the year-ended 31 March 2016 this has resulted in a charge to the profit and loss account of £22,984,719 (2015: £28,438,116).

Directors and directors' interests

The directors of the company who served during the year were as follows:

J Schmidt
G Webb

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report and Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Company law requires the directors to prepare financial statements for each financial year which 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 and then apply them consistently;
- make judgements and 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; and
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Directors' report (*continued*)

Principal risks and uncertainties

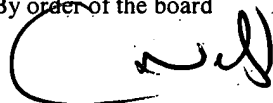
From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately.

Accordingly, the principal risks and uncertainties of Content Media Corporation plc, the Company's ultimate undertaking are discussed within the 'Principal risks and uncertainties' paragraph in the directors' report of the financial statements of Content Media Corporation plc, which do not form part of this report.

Auditors

Grant Thornton UK LLP offer themselves for re-appointment as auditors in accordance with section 487(2) of the Companies Act 2006.

By order of the board



G Webb
Secretary

19 Heddon Street
London
W1B 4BG

22 December 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONTENT MEDIA CORPORATION INTERNATIONAL LIMITED

We have audited the financial statements of Content Media Corporation International Limited for the year ended 31 March 2016 which comprise the profit and loss account, balance sheet, the principal accounting policies and the related notes. 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), including FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its 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.

Emphasis of matter – Going Concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the group's ability to continue as a going concern.

These conditions, along with the other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

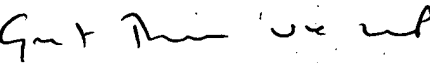
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report.


Nicholas Page
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
Date: 22/12/16

Statement of Comprehensive Income
for the year ended 31 March 2016

	Note	2016 £	2015 £
Turnover	4	25,956,751	24,001,605
Cost of sales		(17,934,572)	(15,769,689)
Gross profit		8,022,179	8,231,916
Operating Expenses		(7,319,771)	(6,216,943)
Operating profit		702,408	2,014,973
Exceptionals		(22,984,719)	(28,438,116)
Operating loss after exceptionals		(22,282,311)	(26,423,143)
Net interest receivable	8	444,272	242,706
Loss on ordinary activities before taxation		(21,838,039)	(26,180,437)
Tax charge on loss on ordinary activities	9	(40,000)	(372,857)
Loss for the financial year		(21,878,039)	(26,553,294)
Profit and loss account brought forward		(84,763,977)	(58,210,683)
Profit and loss account carried forward		(106,642,016)	(84,763,977)
Other Comprehensive Income		-	-
Total Comprehensive loss for the financial year		(21,878,039)	(26,553,294)

Turnover and results reported above all relate to continuing operations.

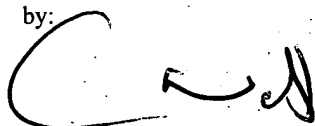
There were no recognised gains or losses during either year other than the results reported above.

The accompanying accounting policies and notes form part of these financial statements.

Statement of Financial Position
at 31 March 2016

	<i>Note</i>	2016 £	2015 £
Fixed Assets			
Tangible assets	<i>11</i>	7,122	11,380
Intangibles	<i>12</i>	13,166,901	12,882,039
		<u>13,174,023</u>	<u>12,893,419</u>
Current assets			
Debtors	<i>13</i>	82,463,213	71,035,879
Cash at bank and in hand		75,341	22,166
		<u>82,538,554</u>	<u>71,058,045</u>
Total Assets		<u>95,712,577</u>	<u>83,951,464</u>
Creditors: amounts falling due within one year	<i>14</i>	(183,656,333)	(155,105,731)
Net liabilities		<u>(87,943,756)</u>	<u>(71,154,267)</u>
Capital and reserves			
Called up share capital	<i>16</i>	2	2
Share option reserve	<i>15</i>	1,057,790	889,976
Translation Reserve	<i>15</i>	17,640,468	12,719,732
Profit and loss account	<i>15</i>	(106,642,016)	(84,763,977)
Equity shareholders' deficit	<i>17</i>	<u>(87,943,756)</u>	<u>(71,154,267)</u>

These financial statements were approved by the board of directors on 22 December 2016 and were signed on its behalf by:



G Webb
Director

The accompanying accounting policies and notes form part of these financial statements.

Registered number : 3040413

Notes

(forming part of the financial statements)

1 Company information

Content Media Corporation International Limited is a company incorporated in the United Kingdom with a registered office at 19 Heddon Street, London, W1B 4BG.

2 Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

This is the first year in which the financial statements have been prepared under FRS 102. Refer to note 25 for an explanation of the transition.

The financial statements are presented in Sterling (£).

The individual accounts of Content Media Corporation International Limited have also adopted the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes
- financial instrument disclosures, including:
 - categories of financial instruments,
 - items of income, expenses, gains or losses relating to financial instruments, and
 - exposure to and management of financial risks.

FRS 20 Share Based Payment

All share-based payment arrangements granted after 7 November 2002 that had not vested prior to 1 April 2006 are recognised in the financial statements.

- All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets).
- All equity-settled share-based payments are ultimately recognised as an expense in the profit and loss account with a corresponding credit to profit and loss reserves.
- If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are revised subsequently if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options that have vested are not exercised.
- Upon exercise of share options, the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate share premium.

Intangibles

Intangibles are stated at the lower of cost and net realisable value. In determining the cost of film and television project inventory, cost is taken as direct costs incurred for the production of or the acquisition of sales rights for film and television projects less any foreseeable losses. Where the Company acts fundamentally in the management of an individual film production, attributable overhead is also included in the cost of film inventory. Interest on any loans taken out to fund specific production costs is capitalised until the date of completion.

Notes (continued)

2 Basis of preparation (continued)

Film and television project inventory is appraised at each balance sheet date on a project by project basis and is amortised over a maximum amortisation period of ten years. In respect of the maximum amortisation period of ten years and the resultant carrying value at each balance sheet date due regard is given to the requirement for current assets to be held at the lower of cost and net realisable value. Net realisable value is calculated on a project by project basis having regard for the present value of estimated sales less further costs of completion and unrecoupable sales expenses.

Tangible fixed assets and depreciation

Depreciation is provided to write off the cost, less the estimated residual value, of tangible fixed assets on a straight line basis at annual rates appropriate to the estimated useful economic lives of the fixed assets as follows:

Fixtures, fittings and equipment	10% - 50%
Computer equipment	33 $\frac{1}{3}$ %

Sales expenses

Direct costs contractually rechargeable to the licensor are included in the balance sheet and are recovered from the licensor's income collected by the Company as sales agent on behalf of the licensor; these being film and television distribution and broadcast rights. Provision is made against those direct costs when their recoverability is considered doubtful.

Income recognition

Income from the exploitation of film and television rights is recognised on a receivable basis, except where payment is dependent on the film or television project being completed or delivered, or other contractual obligations, in which case income is recognised on completion or delivery or fulfilment of any relevant obligations.

Currency translation

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Pensions

The Company contributes to a funded defined contribution pension scheme. The amount charged against profits represents the contributions payable to the scheme in the year.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

Notes (continued)**2 Basis of preparation (continued)**

- deferred tax assets are recognised only to the extent that the directors consider that it is 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 using rates of tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are not discounted.

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements. Nevertheless, the company relies on its ultimate parent company for ongoing financial support. At the date of the signing of these accounts the existing loan Facility of the Group was due to expire on 15 January 2017 and the Company is currently in discussions with its Bank Group to further extend the maturity date in the Facility. Based on discussions with its Bank Group, the directors believe that the Facility will be renewed. Notwithstanding that belief, taking account of the size of the loan facility and the Group's strong reliance on it for future funding, it is appropriate to recognise that the expected renewal of the loan facility represents a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

3 Significant judgements and estimates

The preparation of financial statements under FRS102 requires management to make significant judgements and estimates that affect the application of policies and reported amounts. However, there are no items in these financial statements where these judgments and estimates have been made.

4 Turnover

Turnover, which excludes value added tax, represents sales agent fees and commissions and other income ancillary to the exploitation of the company's intellectual property.

An analysis of revenue by geographical destination is as follows:

	2016 £000	2015 £000
United Kingdom	5,486,478	3,202,582
Rest of Europe	4,959,534	4,504,371
Americas	6,046,174	8,415,840
Rest of World	9,464,565	7,878,812
	<u>25,956,751</u>	<u>24,001,605</u>

5 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:

	2016 £	2015 £
Depreciation	6,025	6,639
Exchange loss	40,687	234,255
Stock write downs	1,129,534	1,067,006
Equity settled share based payments	167,814	102,959
Exceptional Item: Provision against intercompany debtors	22,984,719	28,438,116
	<u>24,328,779</u>	<u>30,848,975</u>

Audit fees are borne by a fellow group undertaking.

Notes (continued)

6 Staff numbers and costs

The average number of persons (including directors) employed by the Company during the year was 39 (2015: 38).

	2016	2015
Sales and Marketing	38	37
Management	1	1
	<u>39</u>	<u>38</u>

The aggregate payroll costs of these persons was as follows:

	2016 £	2015 £
Wages and salaries	4,034,577	3,423,193
Social security costs	330,981	289,966
Pension contributions	46,371	97,839
	<u>4,411,929</u>	<u>3,810,998</u>

The directors are the key personnel of the company.

7 Directors' Emoluments

The emoluments of the Directors for the period were £nil (2015: £nil) and their company pension contributions made of £nil (2015: £nil).

8 Net interest receivable

	2016 £	2015 £
Bank interest receivable	444,798	241,363
Other interest	(526)	1,343
	<u>444,272</u>	<u>242,706</u>

9 Tax loss on ordinary activities

	2016 £	2015 £
UK current tax*	-	-
Adjustments in respect of prior years	-	-
	<u>-</u>	<u>-</u>
Total current tax	-	-
Origination and reversal of timing differences	40,000	372,857
Prior year	-	-
	<u>40,000</u>	<u>372,857</u>

Notes (continued)

9 Tax loss on ordinary activities (continued)

Factors affecting the tax credit for the current year

The current tax credit for the year is lower (2015: lower) than the standard rate of corporation tax in the UK at 20% (2015: 21%). The differences are explained below:

	2016 £	2015 £
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(21,838,039)	(26,180,437)
Current tax charge at 20% (2015: 21%)	(4,367,608)	(5,497,892)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	4,856,097	6,047,404
Capital allowances for the period in excess of depreciation	(3,031)	(2,427)
Utilisation of losses	(372,551)	(209,608)
Group relief	-	(337,477)
Current tax charge for the period	112,907	-
<i>Movement in deferred tax:</i>		
Adjustments in respect of previous periods	-	-
Difference in deferred tax rates	204,642	369,752
Brought forward losses utilised	-	-
Current year movement in deferred tax	(277,549)	3,105
Total tax charge (see above)	40,000	372,857

Factors affecting future tax charges

There are unutilised tax losses within the company of £9.2m (2015: £11.7m) carried forward for relief against future suitable taxable profits and for which a deferred tax asset has been recognised on £9.2m (2015: £10.3m).

10 Deferred Taxation

	2016 £	2015 £
Accelerated capital allowances		
Tax losses carried forward		
Provision for deferred tax	(1,988,388)	(1,988,388)
<i>Movement during the year</i>		
Brought forward at 1 April	(1,988,388)	(2,361,245)
Credit during the year	-	-
Prior year	-	-
Difference in deferred tax rates	206,658	369,752
Current year movement in deferred tax	(277,549)	3,105
Deferred taxation asset (note 11)	(2,061,189)	(1,988,388)

Notes (continued)

11 Tangible Fixed Assets

	Fixtures, fittings, Computer and Other Equipment
	Total £
Cost	
At beginning of year	109,971
Additions	1,767
Disposals	-
	<hr/>
At end of year	111,738
	<hr/>
Depreciation	
At beginning of year	98,591
Charge for year	6,025
Disposals	-
	<hr/>
At end of year	104,616
	<hr/>
Net book value	
At 31 March 2016	7,122
	<hr/>
At 31 March 2015	11,380
	<hr/>

12 Intangible Fixed Assets

	Film & Television Library Rights
	Total £
Cost	
At beginning of year	55,607,335
Additions	4,507,268
Foreign exchange	406,332
	<hr/>
At end of year	60,520,935
	<hr/>
Amortisation	
At beginning of year	42,725,296
Charge for year	4,388,062
Impairment	240,676
	<hr/>
At end of year	47,354,034
	<hr/>
Net book value	
At 31 March 2016	13,166,901
	<hr/>
At 31 March 2015	12,882,039
	<hr/>

Notes (continued)

13 Debtors

	2016 £	2015 £
Trade debtors	8,669,580	9,837,197
Amounts owed by group undertakings	49,566,025	42,661,432
Other debtors	3,900,545	3,647,713
Prepayments and accrued income	18,265,874	12,901,149
Deferred taxation	2,061,189	1,988,388
	<u>82,463,213</u>	<u>71,035,879</u>

14 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	3,125,761	4,032,850
Other creditors	4,680,345	5,600,267
Accruals and deferred income	13,360,235	9,527,653
Amounts owed to group undertakings	162,489,992	135,944,961
	<u>183,656,333</u>	<u>155,105,731</u>

15 Reconciliation of movement in reserves

	Translation reserve	Share option reserve	Profit and loss account
At beginning of year	12,719,732	889,976	(84,763,977)
Retained loss for financial year	-	-	(21,878,039)
Exchange differences on translation of foreign operations	4,920,736	-	-
Share option charge	-	167,814	-
At end of year	<u>17,640,468</u>	<u>1,057,790</u>	<u>(106,642,016)</u>

16 Share capital

	2016 £	2015 £
Authorised:		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid:		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

Notes (continued)

17 Reconciliation of movement in shareholders' deficit

	2016 £	2015 £
Shareholders' deficit brought forward	(71,154,267)	(59,409,117)
Profit/(Loss) for the financial year	(21,878,039)	(26,553,294)
Share option reserve	167,814	102,959
Translation reserve	4,920,736	14,705,185
Shareholders' deficit carried forward	<u>(87,943,756)</u>	<u>(71,154,267)</u>

18 Reserves

Called-up share capital – represents the nominal value of shares that have been issued.

Profit and loss account – includes all current and prior period retained profits and losses.

19 Equity settled share based payments

Equity settled share based payments

The Company has several share option schemes for specific employees (including directors).

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

	2016 No.	2016 WAEP	2015 No.	2015 WAEP
<i>2004 Approved Share Option Plan</i>				
Outstanding at the beginning of the year	11,410	£15.58	13,317	£15.55
Forfeited during the year	-	-	(1,907)	£15.42
Outstanding at the end of the year	<u>11,410</u>	<u>£15.58</u>	<u>11,410</u>	<u>£15.58</u>
Exercisable at the year end	<u>2,194</u>	<u>£13.00</u>	<u>2,194</u>	<u>£13.00</u>

	2016 No.	2016 WAEP	2015 No.	2015 WAEP
<i>2004 Unapproved Share Option Plan</i>				
Outstanding at the beginning of the year	4,310	£8.69	2,540	£8.69
Cancelled during the year	-	-	1,770	£0.00
Granted during the year	-	-	-	-
Outstanding at the end of the year	<u>4,310</u>	<u>£8.69</u>	<u>4,310</u>	<u>£8.69</u>
Exercisable at the year end	<u>2,924</u>	<u>£5.13</u>	<u>2,924</u>	<u>£5.13</u>

Notes (continued)

19 Equity settled share based payments (continued)

The fair values were calculated using the Black Scholes Pricing Model. The inputs into the model were as follows:

Date of Issue	No. Granted	W.A Share Price Pence	W.A Exercise Price Pence	Expected Volatility %	Expected Life Years	Risk Free Rate %	Expected Dividend Yield %	W.A F.V at Grant Date Pence
3 Jul 15	10,328	£16.71	£16.71	111.00	7	3.45	0	1,671
17 Dec 13	24,096	£16.19	£16.19	380.91	7	3.45	0	1,619
30 Sep 11	11,400,000	1.0	1.0	236.10	7	3.75	0	0.99
16 Aug 06	8,050,000	12.75	12.75	109.33	7	4.97	0	11.17
1 Sep 06	1,500,000	13.0	13.0	107.59	7	4.98	0	11.32
5 Dec 06	250,000	19.0	19.0	101.55	7	5.27	0	16.19
12 Oct 05	7,800,000	2.75	2.75	112.23	7	4.57	0	2.43

Expected volatility was determined by calculating the historical volatility of the company's share price over the previous 5 years. The expected life used in the model has been adjusted, based on the management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The company recognised total expenses of £167,814 (2015: £102,959) related to equity settled share based payment transactions during the year.

20 Capital commitments

There were no capital commitments at 31 March 2016 (2015: £nil).

21 Pension scheme

The Company operates a defined contribution pension scheme. Contributions made by the Company to the scheme during the year amounted to £nil (2015: £nil). The assets of the scheme are held separately from those of the Company in an independently administered fund. Contributions outstanding at 31 March 2016 were £nil (2015: £nil).

22 Contingent liabilities

There were no contingent liabilities at 31 March 2016 (2015: £nil).

23 Ultimate controlling party

The Company is controlled by Content Media Corporation plc, the ultimate parent Company, which is also the ultimate controlling party. The only group in which the results of the Company are consolidated is Content Media Corporation plc. The consolidated accounts of this Company are available to the public and may be obtained from the Company's registered address, 19-21 Heddons Street, W1B 4BG.

24 JP Morgan Chase Bank Guarantee

In relation to a Credit and Guarantee Agreement (the Agreement) dated March 26 2004, between JP Morgan Chase Bank, the Company's parent company Content Media Corporation Limited, and a related group company ContentFilm Inc, the Company has provided a guarantee to JP Morgan Chase Bank in relation to the repayment of all amounts owing under the Agreement. Further JP Morgan Chase Bank have a security interest over the assets of the Company and its shares. The balance of the bank facility in Content Media Corporation Limited as at 31 March 2016 was £31.1m (2015: £26.7m).

25 Transition to FRS 102

The company has adopted FRS 102 for the year ended 31 March 2016 and has not restated any comparative prior year amounts.