

ABBHEY HOME MEDIA GROUP LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017
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ABBEY HOME MEDIA GROUP LIMITED

COMPANY INFORMATION

Directors	I Miles P E S Miles
Company number	04386207
Registered office	435/437 Edgware Road London W2 1TH
Accountants	Hazlems Fenton LLP Chartered Accountants Palladium House 1-4 Argyll Street London W1F 7LD

ABBHEY HOME MEDIA GROUP LIMITED

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ABBAY HOME MEDIA GROUP LIMITED

BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Intangible assets			304,760		392,456
Tangible assets	4		1,556		1,641
Investments	5		29,431		29,431
			<u>335,747</u>		<u>423,528</u>
Current assets					
Stocks		312,262		361,107	
Debtors	6	304,893		1,016,931	
Cash at bank and in hand		656		1,439	
		<u>617,811</u>		<u>1,379,477</u>	
Creditors: amounts falling due within one year	7	(4,062,120)		(4,755,338)	
Net current liabilities			(3,444,309)		(3,375,861)
Total assets less current liabilities			<u>(3,108,562)</u>		<u>(2,952,333)</u>
Capital and reserves					
Called up share capital	8	50,000		50,000	
Profit and loss reserves		(3,158,562)		(3,002,333)	
Total equity			<u>(3,108,562)</u>		<u>(2,952,333)</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 March 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

ABBHEY HOME MEDIA GROUP LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2017

The financial statements were approved by the board of directors and authorised for issue on 27 October 2017 and are signed on its behalf by:


I Miles
Director

Company Registration No. 04386207

ABBHEY HOME MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Company information

Abbey Home Media Group Limited is a private company limited by shares incorporated in England and Wales. The registered office is 435/437 Edgware Road, London, W2 1TH.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2017 are the first financial statements of Abbey Home Media Group Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Turnover

Turnover represents amounts receivable for goods, services and contractual arrangements provided in the normal course of business, including withholding taxes but net of trade discounts, VAT and other sales related taxes.

The company's policy is to recognise the income derived from contractual arrangements with third parties when the following criteria have been met:

- the contract has been executed by both parties;
- the arrangement is fixed or determinable;
- the collection of the fee is reasonably assured.

Turnover from television programme series which meet the above criteria is only recognised in income when the programme has been sufficiently completed to be available for delivery to the broadcaster.

Turnover from licensing activities comprises the following:

- Advance royalties, being amounts due under contractual arrangements regardless of the level of sales generated by the licensee, are recorded once the above criteria have been met.
- Where the level of royalties earned from the licensee exceeds the advance royalties the excess is included in turnover in the quarter in which the licensee makes the relevant sales.
- Any fees received in advance which do not meet the above criteria are included in deferred income until the above criteria are met.

Turnover also includes income from the distribution of audio and visual media and the publishing of children's books and associated products. This income is recognised on shipment, with provisions for returns being made as required.

ABBHEY HOME MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.3 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Trademarks	5 years straight line
Intellectual property rights	5 to 10 years straight line

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings and equipment	20% and 25% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

ABBEEY HOME MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.10 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

ABBEY HOME MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.12 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

ABBNEY HOME MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.16 Royalties payable

Royalties payable are accrued at the same time that royalty income is recognised as turnover (as defined above), although these amounts only become payable on actual receipt of the related royalty income and are settled quarterly.

1.17 Going concern

The financial statements have been prepared on a going concern basis on the grounds that the company's bankers and its long-term loan provider will continue to provide financial support in the foreseeable future.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 9 (2016 - 9).

3 Intangible fixed assets

	Goodwill £	Other £	Total £
Cost			
At 1 April 2016	839,057	2,496,025	3,335,082
Additions	-	2,500	2,500
At 31 March 2017	839,057	2,498,525	3,337,582
Amortisation and impairment			
At 1 April 2016	596,725	2,345,901	2,942,626
Amortisation charged for the year	40,405	49,791	90,196
At 31 March 2017	637,130	2,395,692	3,032,822
Carrying amount			
At 31 March 2017	201,927	102,833	304,760
At 31 March 2016	242,332	150,124	392,456

ABBHEY HOME MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2017**

4	Tangible fixed assets		Plant and machinery etc
			£
	Cost		
	At 1 April 2016		68,360
	Additions		1,056
			<hr/>
	At 31 March 2017		69,416
			<hr/>
	Depreciation and impairment		
	At 1 April 2016		66,719
	Depreciation charged in the year		1,141
			<hr/>
	At 31 March 2017		67,860
			<hr/>
	Carrying amount		
	At 31 March 2017		1,556
			<hr/>
	At 31 March 2016		1,641
			<hr/>
5	Fixed asset investments		
		2017	2016
		£	£
	Investments	29,431	29,431
		<hr/>	<hr/>

Investments represent holdings in unlisted subsidiaries therefore it has not been deemed possible to place a reliable market value on these investments. Hence these investments have been recognised at historical cost.

6	Debtors		2017	2016
			£	£
	Amounts falling due within one year:			
	Trade debtors		131,754	226,611
	Other debtors		173,139	790,320
			<hr/>	<hr/>
			304,893	1,016,931
			<hr/>	<hr/>

ABBHEY HOME MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

7 Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	932,759	921,657
Trade creditors	184,251	324,413
Other taxation and social security	42,655	11,890
Other creditors	2,902,455	3,497,378
	<u>4,062,120</u>	<u>4,755,338</u>

8 Called up share capital

	2017 £	2016 £
Ordinary share capital Issued and fully paid		
50,000 Ordinary shares of £1 each	50,000	50,000
	<u>50,000</u>	<u>50,000</u>

9 Related party transactions

The company received management charges of £75,000 (2016 - £75,000) by a connected company. This company is related to the company by virtue of the fact that they are both controlled by the directors.

At the end of the financial year the company owed £706,775 (2016 - £592,103) to the connected company as above.