

Registered number: 04789044

**HAT TRICK HOLDINGS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**HAT TRICK HOLDINGS LIMITED**

**COMPANY INFORMATION**

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<b>Directors</b>	J Mulville M Redhead N Forster P Mckenna P Cohen A Dugdale K Wilson
<b>Registered number</b>	04789044
<b>Registered office</b>	Hanover House 14 Hanover Square London W1S 1HP
<b>Trading Address</b>	33 Oval Road London NW1 7EA
<b>Independent auditors</b>	Sopher + Co LLP Chartered Accountants & Statutory Auditors 5 Elstree Gate Elstree Way Borehamwood Hertfordshire WD6 1JD
<b>Bankers</b>	Coutts 440 Strand London WC2R 0QS
<b>Solicitors</b>	Harbottle & Lewis LLP Hanover House 14 Hanover Square London W1S 1HP

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## HAT TRICK HOLDINGS LIMITED

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**HAT TRICK HOLDINGS LIMITED**

**BUSINESS HIGHLIGHTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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Hat Trick group would like to highlight the following achievements:

- Adjusted Profit after Tax of £3.6m, £1.7m higher than 2015
- Hat Trick International has its most successful ever year
- Have I Got News For You continues to go from strength to strength, with a new multi-year deal
- *Whose Line is it Anyway?* now in its fifth series on the US channel The CW
- The fifth series of *Episodes* and sixth series of *Dinner Date* and *Room 101* produced
- *Doctor Thorne* and the critically acclaimed *The Secret* delivered in 2016
- *Rich House, Poor House*, our first ever C5 commission, is a ratings hit, earning a re-commission for an extended run

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**HAT TRICK HOLDINGS LIMITED**

**GROUP STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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## **Introduction**

The directors present their Strategic Report for the year ended 31 December 2016.

## **Business review**

With a library of long-running, award-winning television programming, we are an industry-leading content creator and rights owner. Our goal remains simple; to make highly successful programmes for profit. We do this in two ways. We develop, create and exploit content in the areas of Comedy, Drama and Entertainment. We also use our substantial creative and business support experience to take investments in early-stage content creation companies with a view to helping them reach their full potential more quickly than they otherwise might be able to.

### Content creation

Hat Trick produced programmes for BBC1, BBC2, ITV1, ITVBe, Channel 4, Channel 5 and US channels Showtime and The CW in 2016.

Have I Got News For You continues to perform. The 51st and 52nd series were produced in 2016, with twenty more episodes commissioned for 2017.

A number of our shows have been re-commissioned, including the seventh series of Room 101 & Dinner Date.

*Whose Line is it Anyway?* now in its fifth series on The CW.

Our first ever Channel 5 commission Rich House, Poor House was produced in 2016 and aired in 2017. It has subsequently been re-commissioned for an extended run.

Produced thirty episodes of the Noel Edmonds fronted Cheap, Cheap, Cheap "the game show that thinks it's a sit com".

### Rights exploitation

We continue to exploit the majority of our extensive programming catalogue in-house through Hat Trick International (HTI). HTI continues to benefit from Hat Trick's strong production pipeline, as well as through its relationships with other production companies.

### Investments

Plum Pictures, a leading factual and features producer, continues to perform well, producing a number of programmes including George Clarke's Amazing Spaces, Killer Women with Piers Morgan and Amazing Spaces Shed of the Year.

Emporium Productions produced Inside Freemasonry and Murderers and their Mothers for Sky and CBS respectively.

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**HAT TRICK HOLDINGS LIMITED**

**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**Principal risks and uncertainties**

Foreign exchange risk

The company operates primarily within the UK and so has limited exposure to foreign exchange movements. However, any material exposure is hedged on a case by case basis.

Credit risk

A large percentage of the Company's programming is conducted with the BBC and other established broadcasters. Therefore, the company does not have a significant exposure to credit defaults.

Liquidity risk

The company has sufficient cash reserves to cover the day to day working capital requirements. The working capital of the business is closely monitored to ensure these commitments are met.

**Financial key performance indicators**

Hat Trick uses Adjusted Profit after Tax (profit after tax, excluding amortisation & share options charge) as its key performance indicator.

Adjusted profit after tax was £3.6m in the period, £1.7m higher than the previous year, due to record rights income at Hat Trick International.

**Other key performance indicators**

We consider the number of series in production and delivered in the year to be Hat Trick's main non-financial key performance indicators.

There were fourteen series in production in 2016, with nine series delivered to broadcasters.

This report was approved by the board on 4 August 2017 and signed on its behalf.



**J Mulville**  
Director

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**HAT TRICK HOLDINGS LIMITED**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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The directors present their report and the financial statements for the year ended 31 December 2016.

**Directors**

The directors who served during the year were:

J Mulville  
M Redhead  
N Forster  
P McKenna  
P Cohen  
A Dugdale  
K Wilson

**Results and dividends**

The profit for the year, after taxation, amounted to £3,578,261 (2015 - £1,657,095).

The directors have paid a dividend of £3,499,553 (2015 - £750,036). The directors do not recommend the payment of a final dividend.

**Future developments**

Hat Trick benefits from a raft of returning series, as well as a strong pipeline of new programming in various stages of development.

**Directors' responsibilities statement**

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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**HAT TRICK HOLDINGS LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**Disclosure of information to auditors**

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

- so far as the director is aware, there is no relevant audit information of which the company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the Group's auditors are aware of that information.

**Post balance sheet events**

There have been no significant events affecting the Group since the year end.

**Auditors**

Under section 487(2) of the Companies Act 2006, Sopher + Co LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 4 August 2017 and signed on its behalf.



J Mulville  
Director



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## HAT TRICK HOLDINGS LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HAT TRICK HOLDINGS LIMITED

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We have audited the financial statements of Hat Trick Holdings Limited for the year ended 31 December 2016, set out on pages 8 to 35. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

#### Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement on page 4, 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 Financial Reporting Council's Ethical Standards for Auditors.

#### Scope of the audit of the 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 Group's and the parent 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 Group Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent company's affairs as at 31 December 2016 and of the Group's profit or 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.

#### Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

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**HAT TRICK HOLDINGS LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HAT TRICK HOLDINGS LIMITED  
(CONTINUED)**

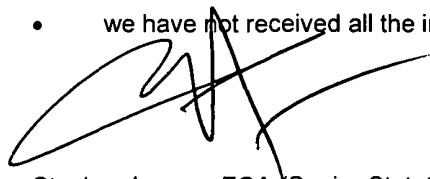
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**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report and the Directors' Report.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Stephen Iseman FCA (Senior Statutory Auditor)

for and on behalf of  
**Sopher + Co LLP**

Chartered Accountants  
Statutory Auditors

5 Elstree Gate  
Elstree Way  
Borehamwood  
Hertfordshire  
WD6 1JD

4 August 2017

**HAT TRICK HOLDINGS LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	As restated 2015 £
Turnover	4	35,961,915	30,291,009
Cost of sales		(27,269,842)	(22,998,525)
<b>Gross profit</b>		<b>8,692,073</b>	<b>7,292,484</b>
Administrative expenses		(7,966,439)	(8,134,340)
Other operating income	5	1,017,040	729,094
<b>Operating profit/(loss)</b>	6	<b>1,742,674</b>	<b>(112,762)</b>
Share of profit of associates		367,988	198,298
<b>Total operating profit</b>		<b>2,110,662</b>	<b>85,536</b>
Interest receivable and similar income	10	4,811	1,756
Interest payable and expenses	11	(42,996)	(17,576)
<b>Profit before taxation</b>		<b>2,072,477</b>	<b>69,716</b>
Tax on profit	12	1,505,784	1,587,379
<b>Profit for the year</b>		<b>3,578,261</b>	<b>1,657,095</b>
<b>Other comprehensive income</b>			
Foreign exchange reserve movement		11,281	3,704
Share option reserve movement		-	254,782
<b>Other comprehensive income for the year</b>		<b>11,281</b>	<b>258,486</b>
<b>Total comprehensive income for the year</b>		<b>3,589,542</b>	<b>1,915,581</b>

The notes on pages 15 to 35 form part of these financial statements.

**HAT TRICK HOLDINGS LIMITED**  
**REGISTERED NUMBER:04789044**  
**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2016**

	Note	2016 £	As restated 2015 £
<b>Fixed assets</b>			
Intangible assets	14	-	-
Tangible assets	16	685,010	716,816
Fixed asset investments	17	666,306	658,777
		<u>1,351,316</u>	<u>1,375,593</u>
<b>Current assets</b>			
Stocks	19	49,713	142,166
Debtors: amounts falling due within one year	20	11,046,652	11,927,827
Bank and cash balances		2,470,480	2,055,398
		<u>13,566,845</u>	<u>14,125,391</u>
Creditors: amounts falling due within one year	22	(9,947,141)	(10,570,288)
<b>Net current assets</b>		<u>3,619,704</u>	<u>3,555,103</u>
<b>Total assets less current liabilities</b>		<u>4,971,020</u>	<u>4,930,696</u>
Creditors: amounts falling due after more than one year	23	(406,678)	(456,343)
<b>Net assets</b>		<u><u>4,564,342</u></u>	<u><u>4,474,353</u></u>
<b>Capital and reserves</b>			
Called up share capital	29	61,428	61,428
Share premium account	30	2,110,534	2,110,534
Capital redemption reserve	30	50,260	50,260
Other reserves	30	1,439,169	1,439,169
Profit and loss account	30	902,951	812,962
<b>Equity attributable to owners of the parent company</b>		<u><u>4,564,342</u></u>	<u><u>4,474,353</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4 August 2017.



**A Dugdale**  
Director

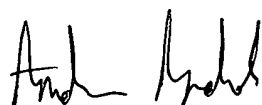
The notes on pages 15 to 35 form part of these financial statements.

**HAT TRICK HOLDINGS LIMITED**  
**REGISTERED NUMBER: 04789044**

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2016**

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Investments	17	20,060,871	19,935,469
<b>Current assets</b>			
Cash at bank and in hand		43	43
Creditors: amounts falling due within one year	22	(4,747,676)	(1,117,661)
<b>Net current liabilities</b>		(4,747,633)	(1,117,618)
<b>Net assets</b>		<u>15,313,238</u>	<u>18,817,851</u>
<b>Capital and reserves</b>			
Called up share capital	29	61,428	61,428
Share premium account	30	2,110,534	2,110,534
Capital redemption reserve	30	50,260	50,260
Profit and loss account	30	13,091,016	16,595,629
		<u>15,313,238</u>	<u>18,817,851</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4 August 2017.



**A Dugdale**  
Director

The notes on pages 15 to 35 form part of these financial statements.

**HAT TRICK HOLDINGS LIMITED**

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

	Called up share capital £	Share premium account £	Capital redemption reserve £	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2016 (as previously stated)	61,428	2,110,534	50,260	1,439,169	524,414	4,185,805
Prior year adjustment (note 32)	-	-	-	-	288,548	288,548
At 1 January 2016 (as restated)	61,428	2,110,534	50,260	1,439,169	812,962	4,474,353
Profit for the year	-	-	-	-	3,578,261	3,578,261
Foreign exchange reserve movement	-	-	-	-	11,281	11,281
Dividends: Equity capital	-	-	-	-	(3,499,553)	(3,499,553)
At 31 December 2016	61,428	2,110,534	50,260	1,439,169	902,951	4,564,342

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up share capital £	Share premium account £	Capital redemption reserve £	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2015 (as previously stated)	61,428	2,110,534	50,260	1,184,387	(333,659)	3,072,950
Prior year adjustment (note 32)	-	-	-	-	235,858	235,858
At 1 January 2015 (as restated)	61,428	2,110,534	50,260	1,184,387	(97,801)	3,308,808
Profit for the year	-	-	-	-	1,657,095	1,657,095
Foreign exchange reserve movement	-	-	-	-	3,704	3,704
Share option reserve movement	-	-	-	254,782	-	254,782
Dividends: Equity capital	-	-	-	-	(750,036)	(750,036)
At 31 December 2015	61,428	2,110,534	50,260	1,439,169	812,962	4,474,353

The notes on pages 15 to 35 form part of these financial statements.

**HAT TRICK HOLDINGS LIMITED**

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

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Capital redemption reserve</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£	£	£	£	£
At 1 January 2016	61,428	2,110,534	50,260	16,595,629	18,817,851
Loss for the year	-	-	-	(5,060)	(5,060)
Dividends: Equity capital	-	-	-	(3,499,553)	(3,499,553)
<b>At 31 December 2016</b>	<b>61,428</b>	<b>2,110,534</b>	<b>50,260</b>	<b>13,091,016</b>	<b>15,313,238</b>

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Capital redemption reserve</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£	£	£	£	£
At 1 January 2015	61,428	2,110,534	50,260	17,350,724	19,572,946
Loss for the year	-	-	-	(5,059)	(5,059)
Dividends: Equity capital	-	-	-	(750,036)	(750,036)
<b>At 31 December 2015</b>	<b>61,428</b>	<b>2,110,534</b>	<b>50,260</b>	<b>16,595,629</b>	<b>18,817,851</b>

The notes on pages 15 to 35 form part of these financial statements.

**HAT TRICK HOLDINGS LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016 £	2015 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	3,578,261	1,657,095
<b>Adjustments for:</b>		
Depreciation of tangible assets	248,765	252,504
Loss on disposal of tangible assets	-	2,810
Interest paid	42,996	17,576
Interest received	(4,811)	(1,756)
Taxation charge	(1,505,784)	(1,587,379)
Decrease/(increase) in work in progress	92,453	(141,647)
Decrease/(increase) in debtors	1,243,043	(4,483,663)
(Increase) in amounts owed by associates	(49,600)	-
Increase/(decrease) in creditors	3,691,449	(1,933,002)
Corporation tax received	1,285,145	2,511,454
Net share of profit and loss of participating interests	(367,988)	(198,298)
Exchange differences on reconversion of foreign subsidiaries	11,281	3,704
Share option charge	-	254,782
Dividends received from associates	387,500	245,000
<b>Net cash generated from operating activities</b>	<b>8,652,710</b>	<b>(3,400,820)</b>
<b>Cash flows used in investing activities</b>		
Purchase of tangible fixed assets	(216,959)	(108,538)
Sale of tangible fixed assets	-	13,114
Purchase of share in joint ventures	(125,403)	-
Purchase of share in associates	-	(402,700)
Interest received	4,811	1,756
HP interest paid	(10,772)	(5,777)
<b>Net cash used in investing activities</b>	<b>(348,323)</b>	<b>(502,145)</b>



**HAT TRICK HOLDINGS LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016 £	2015 £
<b>Cash flows for financing activities</b>		
New secured loans	-	4,380,983
Repayment of loans	(4,334,056)	-
Repayment of/new finance leases	(11,474)	38,145
Dividends paid	(3,499,553)	(750,036)
Interest paid	(32,224)	(11,799)
<b>Net cash used in financing activities</b>	<b>(7,877,307)</b>	<b>3,657,293</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>427,080</b>	<b>(245,672)</b>
Cash and cash equivalents at beginning of year	<b>2,043,400</b>	2,286,633
<b>Cash and cash equivalents at the end of year</b>	<b>2,470,480</b>	<b>2,040,961</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Bank current accounts	<b>2,470,480</b>	2,052,959
Bank overdrafts	-	(11,998)
	<b>2,470,480</b>	<b>2,040,961</b>

The notes on pages 15 to 35 form part of these financial statements.

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## HAT TRICK HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1. General information

The group is an industry leading content creator and rights owner with a library of long running award winning television programmes.

The company is incorporated in England and Wales and its trading address is 33 Oval Road, London, NW1 7EA.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### 2.2 Basis of consolidation

The consolidated financial statements present the results of Group and its own subsidiaries ("the Group") as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

##### 2.3 Participating interests

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Statement of Comprehensive Income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Balance Sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

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## HAT TRICK HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 2. Accounting policies (continued)

##### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding Value Added Tax.

Turnover comprises production fees and amounts receivable for the exploitation of rights and royalties net of VAT.

Production turnover and gross profit are recognised over the period of production on a stage of completion and straight line basis respectively.

Fees in respect of services provided are recognised over the period of the service agreement on a stage of completion basis.

Sums receivable from distribution by related parties are recognised when receivable. Where third party distributors are used, turnover is recognised on a receivable basis in accordance with distribution statements, unless an advance is received, in which case turnover is then recognised on the later of the license period start date or completion of all deliverables.

Royalties receivable are accounted for on a royalty earnings basis as part of turnover. Non-returnable, recoupable advances are accounted for on a completion of delivery requirements.

##### 2.5 Intangible assets

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities.

Goodwill is amortised over its useful life of ten years.

##### 2.6 Tangible fixed assets

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

The estimated useful lives range as follows:

Short-term leasehold property	- over the period of the lease
Plant and machinery	- 25% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 25% straight line

##### 2.7 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

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**HAT TRICK HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**2. Accounting policies (continued)**

**2.8 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**Participating interests**

The group's share of profits less losses of associated undertakings is included in the Consolidated Statement of Comprehensive Income and the group's share of their net assets is included in the Consolidated Statement of Financial Position. These amounts are taken from the latest financial statements of the undertakings concerned and unaudited management information for the remaining months to December 2016. Joint ventures are accounted for using the gross equity method.

**Other investments**

Investments held as fixed assets are shown at cost less any provision for impairment.

**2.9 Work in progress**

Project development costs, carried forward under work in progress, represent costs incurred on projects in development and are stated at the lower of cost and estimated net realisable value.

**2.10 Debtors**

Short term debtors are measured at transaction price, less any impairment.

**2.11 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.12 Employee share ownership plan**

The Group issues equity-settled share-based payments to certain employees. These share options are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of the grant. The fair value of the share options issued is expensed on a straight line basis over the period to when management estimates the options will be exercised as adjusted for known vesting conditions.

Fair value is measured by use of the Black-Scholes pricing model. The principal assumptions made in the model are described in note 28.

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## HAT TRICK HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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## 2. Accounting policies (continued)

### 2.13 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

### 2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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**HAT TRICK HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**2. Accounting policies (continued)**

**2.15 Foreign currency translation**

**Functional and presentation currency**

The group's functional and presentational currency is £ Sterling.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

**2.16 Pensions**

**Defined contribution pension plan**

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

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

**2.17 Interest income**

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

**2.18 Borrowing costs**

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

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## HAT TRICK HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 2. Accounting policies (continued)

##### 2.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a change attributable to an item of income and expense recognised as Other Comprehensive Income or to an item recognised directly in equity is also recognised under Other Comprehensive Income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

In preparing these financial statements, the directors have made the following judgements:

- a) Determine whether leases entered into by the Group as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- b) Determine whether there are indicators of impairment of the Group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
- c) Determine at the year end the fair value of share options granted. The shares of the Group are not actively traded in a market and therefore directors use their judgement to ensure they adopt the most appropriate valuation method to determine fair value. Vesting conditions are taken into account when estimating the fair value of the share options.

In preparing these financial statements, the directors have considered the following key sources of estimation uncertainty:

Tangible and intangible assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and estimated disposal values.

**HAT TRICK HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**4. Turnover**

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	19,625,998	22,814,985
Rest of Europe	1,931,112	1,443,261
Rest of the world	14,404,805	6,032,763
	<u>35,961,915</u>	<u>30,291,009</u>

**5. Other operating income**

	2016 £	2015 £
Occupancy and personnel cost recharges	<u>1,017,040</u>	<u>729,094</u>

**6. Operating profit/(loss)**

The operating profit/(loss) is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	248,765	252,504
Exchange differences	(126,245)	31,883
Other operating lease rentals	613,364	560,669
Defined contribution pension cost	<u>188,338</u>	<u>199,900</u>

**7. Auditors' remuneration**

	2016 £	2015 £
Fees payable to the Group's auditor for the audit of the Company's annual accounts	5,000	5,000
<b>Fees payable to the Group's auditor in respect of:</b>		
The auditing of accounts of the Group pursuant to legislation	40,563	33,000
Tax compliance services	<u>10,000</u>	<u>16,527</u>
	<u>50,563</u>	<u>49,527</u>



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**HAT TRICK HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**8. Employees**

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	4,492,419	4,631,710
Social security costs	543,381	553,787
Cost of defined contribution scheme	188,338	199,900
	<u>5,224,138</u>	<u>5,385,397</u>

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

	2016 No.	2015 No.
Management	7	7
Administration	37	36
Production, development and writing	29	31
	<u>73</u>	<u>74</u>

**9. Directors' remuneration**

	2016 £	2015 £
Directors' emoluments	970,413	1,084,778
Company contributions to defined contribution pension schemes	49,635	51,980
	<u>1,020,048</u>	<u>1,136,758</u>

During the year retirement benefits were accruing to 4 directors (2015 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £382,375 (2015 - £386,141).

**10. Interest receivable**

	2016 £	2015 £
Other interest receivable	<u>4,811</u>	<u>1,756</u>

**HAT TRICK HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**11. Interest payable and similar charges**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Bank interest payable	<b>32,224</b>	11,299
Finance leases and hire purchase contracts	<b>10,772</b>	5,777
Other interest payable	-	500
	<b><u>42,996</u></b>	<b><u>17,576</u></b>

**12. Taxation**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Corporation tax</b>		
Current tax on profits for the year	<b>(1,723,437)</b>	(1,808,673)
Adjustments in respect of previous periods	<b>(137)</b>	152,845
	<b><u>(1,723,574)</u></b>	<b><u>(1,655,828)</u></b>
Share of tax of associates	<b>98,362</b>	35,618
	<b><u>(1,625,212)</u></b>	<b><u>(1,620,210)</u></b>
<b>Foreign tax</b>		
Foreign tax on income for the year	<b>103,246</b>	88,539
<b>Total current tax</b>	<b><u>(1,521,966)</u></b>	<b><u>(1,531,671)</u></b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<b>16,182</b>	(55,708)
<b>Taxation on loss on ordinary activities</b>	<b><u>(1,505,784)</u></b>	<b><u>(1,587,379)</u></b>

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**HAT TRICK HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**12. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>2,072,477</u>	<u>69,716</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	<b>414,495</b>	14,117
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	35,564	38,760
Capital allowances for year in excess of depreciation	(390)	12,686
Adjustments to tax charge in respect of prior periods	(137)	152,845
Foreign tax charge	103,246	88,539
High-end Television Tax Relief	(1,981,604)	(2,078,052)
Tax relief from enhanced tax credits	(93,140)	(151,434)
Non-tax deductible charge for employee options	-	51,593
Unrelieved tax losses carried forward	-	339,333
Deferred tax	16,182	(55,708)
Other adjustments	-	(58)
<b>Total tax charge for the year</b>	<u><b>(1,505,784)</b></u>	<u><b>(1,587,379)</b></u>

**Factors that may affect future tax charges**

The UK corporation tax credit arises as a result of a claim for High-End Television Tax Relief.

**13. Dividends**

	2016 £	2015 £
Dividends paid on equity shares	<u>3,499,553</u>	<u>750,036</u>

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HAT TRICK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

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14. Intangible assets

Group and Company

	Goodwill £
<b>Cost</b>	
At 1 January 2016 (as previously stated)	23,110,866
Prior Year Adjustment	(402,700)
At 1 January 2016 (as restated)	22,708,166
At 31 December 2016	22,708,166
<b>Amortisation</b>	
At 1 January 2016 (as previously stated)	22,726,703
Prior Year Adjustment	(18,537)
At 1 January 2016 (as restated)	22,708,166
At 31 December 2016	22,708,166
<b>Net book value</b>	
At 31 December 2016	-
At 31 December 2015 (as restated)	-

15. Parent company profit for the year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent company for the year was £5,060 (2015 - £5,059).

**HAT TRICK HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**16. Tangible fixed assets**

**Group**

	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2016	842,155	3,276,205	83,244	4,201,604
Additions	-	216,959	-	216,959
At 31 December 2016	<u>842,155</u>	<u>3,493,164</u>	<u>83,244</u>	<u>4,418,563</u>
<b>Depreciation</b>				
At 1 January 2016	532,709	2,912,192	39,887	3,484,788
Charge for the period on owned assets	34,124	193,830	20,811	248,765
At 31 December 2016	<u>566,833</u>	<u>3,106,022</u>	<u>60,698</u>	<u>3,733,553</u>
<b>Net book value</b>				
At 31 December 2016	<u>275,322</u>	<u>387,142</u>	<u>22,546</u>	<u>685,010</u>
At 31 December 2015	<u>309,446</u>	<u>364,013</u>	<u>43,357</u>	<u>716,816</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2016 £	2015 £
Furniture, fittings and equipment	<u>42,524</u>	<u>57,988</u>

**HAT TRICK HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**17. Fixed asset investments**

**Group**

	Investments in associates £	Other fixed asset investments £	Investment in joint ventures £	Total £
<b>Cost or valuation</b>				
At 1 January 2016 (as previously stated)	2	25,000	-	25,002
Prior Year Adjustment	587,966	-	70,809	658,775
At 1 January 2016 (as restated)	587,968	25,000	70,809	683,777
Additions	-	-	125,403	125,403
Dividend received	(337,500)	-	(50,000)	(387,500)
Share of associates / joint venture profit / (loss)	342,297	-	(72,671)	269,626
At 31 December 2016	592,765	25,000	73,541	691,306
<b>Impairment</b>				
At 1 January 2016	-	25,000	-	25,000
At 31 December 2016	-	25,000	-	25,000
<b>Net book value</b>				
At 31 December 2016	592,765	-	73,541	666,306
At 31 December 2015 (as restated)	587,968	-	70,809	658,777

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HAT TRICK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

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17. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £	Investment in joint ventures £	Total £
<b>Cost or valuation</b>			
At 1 January 2016	19,935,469	-	19,935,469
Additions	-	125,402	125,402
At 31 December 2016	<u>19,935,469</u>	<u>125,402</u>	<u>20,060,871</u>
<b>Net book value</b>			
At 31 December 2016	<u>19,935,469</u>	<u>125,402</u>	<u>20,060,871</u>
At 31 December 2015	<u>19,935,469</u>	<u>-</u>	<u>19,935,469</u>

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## HAT TRICK HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 18. Subsidiary undertakings

The following were subsidiary undertakings of the company:

##### Direct subsidiary undertakings

Name	Class of shares	Holding	Principal activity
Hat Trick Productions Limited	Ordinary	100 %	Creation of content for broadcast media
TWC (UK) Limited	Ordinary	100 %	Writers' agency

##### Indirect Subsidiary undertakings

Name	Class of shares	Holding	Principal activity
Hat Trick International Limited	Ordinary	100 %	Distribution of content
Hat Trick Television Limited	Ordinary	100 %	Creation of content for broadcast media
Hat Trick (DG) Limited (formerly known as Hat Trick (Critical) Limited)	Ordinary	100 %	Creation of content for broadcast media
Hat Trick (Trollope) Limited	Ordinary	100 %	Creation of content for broadcast media
Hat Trick (LTBOS) Limited	Ordinary	100 %	Creation of content for broadcast media
Hat Trick Holdings Inc	Ordinary	100 %	Creation of content for broadcast media
Hat Trick Entertainment Inc	Ordinary	100 %	Creation of content for broadcast media
Hat Trick East Inc	Ordinary	100 %	Creation of content for broadcast media
Hat Trick (WL) Limited	Ordinary	100 %	Dormant

The Company is taking advantage of the exemption available to a parent company included in the accounts of a larger group, not to disclose its share of subsidiaries equity or profit for the year.

All of the above companies have their registered office at Hanover House, 14 Hanover Square, London W1S 1HP.

##### Participating interests

##### Joint ventures

Name	Class of shares	Holding	Principal activity
Toff Media Limited	Ordinary	50 %	Creation of content for broadcast media
HTM Television Limited	Ordinary	50 %	Creation of content for broadcast media

##### Associates

Name	Class of shares	Holding	Principal activity
Plum Pictures Limited	Ordinary	25 %	Creation of content for broadcast media
Emporium Limited	Ordinary	49 %	Creation of content for broadcast media



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**HAT TRICK HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**19. Work in progress**

	<b>Group 2016 £</b>	<b>Group 2015 £</b>	<b>Company 2016 £</b>	<b>Company 2015 £</b>
Work in progress	<b>49,713</b>	142,166	-	-

**20. Debtors**

	<b>Group 2016 £</b>	<b>Group 2015 £</b>	<b>Company 2016 £</b>	<b>Company 2015 £</b>
Trade debtors	<b>4,637,856</b>	2,292,547	-	-
Amounts owed by joint ventures and associated undertakings	<b>49,600</b>	-	-	-
Other debtors	<b>185,067</b>	739,004	-	-
Prepayments and accrued income	<b>4,096,321</b>	7,130,736	-	-
Tax recoverable	<b>1,767,159</b>	1,438,706	-	-
Deferred taxation	<b>310,649</b>	326,833	-	-
	<b>11,046,652</b>	11,927,826	-	-

**21. Cash at bank and in hand**

Included within the Consolidated Statement of Financial Position figure of £2,476,024 (2015 - £2,055,398) are sums amounting to £47,045 (2015 - £32,440) held on behalf of writers, where fees have been received but not paid over to the writers as at 31 December 2016.

**HAT TRICK HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**22. Creditors: Amounts falling due within one year**

	<b>Group 2016 £</b>	<b>Group 2015 £</b>	<b>Company 2016 £</b>	<b>Company 2015 £</b>
Bank overdrafts	-	11,998	-	-
Bank loans	<b>46,927</b>	4,380,983	-	-
Trade creditors	<b>254,048</b>	374,088	-	-
Amounts owed to group undertakings	-	-	<b>4,742,676</b>	1,112,661
Corporation tax	-	6,730	-	-
Other taxation and social security	<b>927,278</b>	335,407	-	-
Obligations under finance lease and hire purchase contracts	<b>14,665</b>	11,474	-	-
Other creditors	<b>127,036</b>	94,168	-	-
Accruals and deferred income	<b>8,577,187</b>	5,355,438	<b>5,000</b>	5,000
	<b>9,947,141</b>	10,570,286	<b>4,747,676</b>	1,117,661

The short term bank loan is secured by a fixed and floating charge over certain specific assets.

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**23. Creditors: Amounts falling due after more than one year**

	<b>Group 2016 £</b>	<b>Group 2015 £</b>	<b>Company 2016 £</b>	<b>Company 2015 £</b>
Net obligations under finance leases and hire purchase contracts	<b>33,345</b>	48,010	-	-
Accruals	<b>373,333</b>	408,333	-	-
	<b>406,678</b>	456,343	-	-

**24. Deferred taxation**

**Group**

	<b>2016 £</b>	<b>2015 £</b>
At beginning of year	<b>326,832</b>	271,125
Charged to profit or loss	<b>(16,183)</b>	55,708
<b>At end of year</b>	<b>310,649</b>	326,833

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## HAT TRICK HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 24. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	<b>Group 2016 £</b>	<b>Group 2015 £</b>
Decelerated capital allowances	<b>22,816</b>	39,000
Share option reserves	<b>287,833</b>	287,833
	<b>310,649</b>	<b>326,833</b>

The net deferred tax liability expected to reverse next year is £8,000. This primarily relates to the reversal of existing timing differences on acquired tangible fixed assets and capital allowances through depreciation, offset by expected tax deductions when payment are made to utilise provisions.

#### 25. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £188,338 (2015 - £199,899). Contributions totalling £8,604 (2015 - £8,606) were payable to the fund at the balance sheet date and are included in creditors.

#### 26. Commitments under operating leases

At 31 December 2016 the Group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 2016 £</b>	<b>Group 2015 £</b>
Not later than 1 year	<b>594,000</b>	594,000
Later than 1 year and not later than 5 years	<b>2,376,000</b>	2,376,000
Later than 5 years	<b>7,128,000</b>	7,722,000
	<b>10,098,000</b>	<b>10,692,000</b>

**HAT TRICK HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**27. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	<b>Group 2016 £</b>	<b>Group 2015 £</b>
Within one year	14,665	11,474
Between 1-2 years	17,857	14,655
Between 2-5 years	15,487	33,355
	<u>48,009</u>	<u>59,484</u>

**28. Financial instruments**

	<b>Group 2016 £</b>	<b>Group 2015 £</b>	<b>Company 2016 £</b>	<b>Company 2015 £</b>
<b>Financial assets</b>				
Financial assets that are debt instruments measured at amortised cost	<u>7,496,291</u>	<u>8,139,847</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<u>(3,210,811)</u>	<u>(6,950,078)</u>	<u>(4,747,675)</u>	<u>(1,117,661)</u>

Financial assets measured at amortised cost comprise of trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors, accruals and amounts owed to group undertakings.

**29. Share capital**

	<b>2016 £</b>	<b>2015 £</b>
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
61,428 Ordinary shares of £1 each	<u>61,428</u>	<u>61,428</u>

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## HAT TRICK HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 30. Reserves

##### Share premium account

This reserve represents the amount above the nominal value received for issued share capital, less transaction costs.

##### Capital redemption reserve

This reserve records the nominal value of shares repurchased by the group.

##### Other reserves

This reserve records all changes in relation to the enterprise management share option scheme implemented by the group.

##### Profit and loss account

This reserve represents the cumulative balance of retained profits and losses to the balance sheet date.

#### 31. Share based payments

##### Equity-settled share option scheme

The company has implemented two enterprise management incentive share option schemes, one on the 30th November 2006 and the other on 25th January 2011. All share options granted after 25th January 2011, which includes all the options granted in 2011, will be under the new scheme.

Share options granted under these schemes are only exercisable on or after the earlier of an exit event and any date(s) as specified in the option agreement. Under both scheme rules, an exit event is defined as the earlier of a share sale, a listing or a trade sale.

At 31 December 2016, 12,560 (2015 - 13,717) options were outstanding. If the options remain unexercised after a period of 10 years they expire. Options are forfeited if the employee leaves the group before they have been exercised.

The weighted average remaining contractual life of the share options outstanding at the end of the period was 3 years.

The aggregate of the estimated fair value of the share options granted is £1,433,277, resulting in a charge of £Nil (2015 - £254,782) in the profit and loss account.

This is based on the Black – Scholes model using the following assumptions:

Weighted average share price at grant	£97.28
Weighted average exercise price	£ 1.00
Expected volatility	93%
Risk-free rate	2.13%

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## HAT TRICK HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 32. Prior year adjustment

The group has revised its accounting for associates in the consolidated accounts to comply with its stated accounting policy in accordance with the requirements of Financial Reporting Standard 102. Accordingly the comparative figures have been restated. The effect of its restatement has been to increase fixed asset investments by £658,775 as at 31 December 2015, reduce intangible assets by £384,163, reduce debtors by £70,806, reduce creditors by £84,744 with the corresponding cumulative increase in profit and loss reserves £288,548.

#### 33. Related party transactions

During the year, the group entered into transactions on an arms length basis, in the ordinary course of the business, and had balances at the year end with the following parties.

	Year ended 31 Dec 2016 Sales £	Year ended 31 Dec 2016 Debtor/ (Creditor) £	Year ended 31 Dec 2015 Sales £	Year ended 31 Dec 2015 Debtor £
Plum Pictures Limited	2,053,750	(278,691)	1,688,111	338,673
Emporium Productions Limited	357,650	-	103,233	29,027
HTM Television Limited.	-	49,600	-	-
	<u>2,411,400</u>	<u>(229,091)</u>	<u>1,791,344</u>	<u>367,700</u>

During the year, format fees and royalties of £5,764 (2015 - £34,754) were paid to J Mulville, a director of the company.

During the year the group paid dividends of £1,784,756 (2015 - £382,515) to J Mulville, a director of the company. At the balance sheet date the company was owed £21,092 (2015 - £4,427) by J Mulville included in other debtors.

During the year the group paid dividends amounting to £349,967 (2015 - £75,006) to P McKenna, a director of the company.

The company has taken advantage of not disclosing transactions among members in the group as permitted under FRS 102 s33.1A.

#### Key management personnel

During the year, the company paid remuneration totalling £1,985,421 (2015 - £2,024,035) to its key management personnel.

#### 34. Ultimate controlling party

The directors regard J Mulville, a director of the company, as the ultimate controlling party.