

Protagonist Pictures Limited
Financial Statements
31 March 2017

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Protagonist Pictures Limited

Financial Statements

Year ended 31 March 2017

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Protagonist Pictures Limited

Officers and Professional Advisers

The board of directors

C Preston
S Bruce-Smith
J E Moore
D Reid
N G Williams
M A M Goodridge

Company secretary

D Tsingou

Registered office

4th floor
42 - 48 Great Portland Street
London
W1W 7NB

Auditor

Shipleys LLP
Chartered accountant & statutory auditor
10 Orange Street
Haymarket
London
WC2H 7DQ

Protagonist Pictures Limited

Directors' Report

Year ended 31 March 2017

The directors present their report and the financial statements of the company for the year ended 31 March 2017.

Directors

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

C Preston
S Bruce-Smith
J E Moore
D Reid
N G Williams
M A M Goodridge

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

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

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Protagonist Pictures Limited

Directors' Report *(continued)*

Year ended 31 March 2017

This report was approved by the board of directors on 6/9/17 and signed on behalf of the board by:



N G Williams
Director

Protagonist Pictures Limited

Independent Auditor's Report to the Members of Protagonist Pictures Limited

Year ended 31 March 2017

We have audited the financial statements of Protagonist Pictures Limited for the year ended 31 March 2017 which comprise the statement of income and retained earnings, statement of financial position and the related notes. The 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 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, 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 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 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 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 company's affairs as at 31 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Protagonist Pictures Limited

Independent Auditor's Report to the Members of Protagonist Pictures Limited

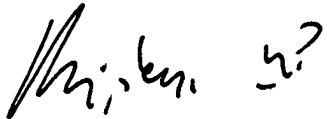
(continued)

Year ended 31 March 2017

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; and
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



Stephen Joberns (Senior Statutory Auditor)

For and on behalf of
Shipleys LLP
Chartered accountant & statutory auditor
10 Orange Street
Haymarket
London
WC2H 7DQ

6/9/17

Protagonist Pictures Limited
Statement of Income and Retained Earnings
Year ended 31 March 2017

	Note	2017 £	2016 £
Turnover		2,471,467	1,800,096
Cost of sales		(79,262)	(57,790)
Gross profit		<u>2,392,205</u>	<u>1,742,306</u>
Administrative expenses		(1,753,530)	(1,413,247)
Operating profit		<u>638,675</u>	<u>329,059</u>
Other interest receivable and similar income		151	364
Profit before taxation	7	<u>638,826</u>	<u>329,423</u>
Tax on profit		(122,540)	(69,797)
Profit for the financial year and total comprehensive income		<u><u>516,286</u></u>	<u><u>259,626</u></u>
Retained earnings at the start of the year		<u>482,725</u>	<u>223,099</u>
Retained earnings at the end of the year		<u><u>999,011</u></u>	<u><u>482,725</u></u>

All the activities of the company are from continuing operations.

The notes on pages 8 to 13 form part of these financial statements.

Protagonist Pictures Limited

Statement of Financial Position

31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	8	12,054	6,058
Investments	9	100	—
		<u>12,154</u>	<u>6,058</u>
Current assets			
Debtors	10	2,132,530	3,092,851
Cash at bank and in hand		854,373	190,181
		<u>2,986,903</u>	<u>3,283,032</u>
Creditors: amounts falling due within one year	11	(1,368,491)	(338,102)
Net current assets		<u>1,618,412</u>	<u>2,944,930</u>
Total assets less current liabilities		<u>1,630,566</u>	<u>2,950,988</u>
Creditors: amounts falling due after more than one year	12	—	(1,836,708)
Net assets		<u>1,630,566</u>	<u>1,114,280</u>
Capital and reserves			
Called up share capital		393,780	393,780
Share premium account		21,217	21,217
Capital redemption reserve		216,558	216,558
Profit and loss account		999,011	482,725
Members funds		<u>1,630,566</u>	<u>1,114,280</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 6/9/17, and are signed on behalf of the board by:



N G Williams
Director

Company registration number: 06425904

The notes on pages 8 to 13 form part of these financial statements.

Protagonist Pictures Limited

Notes to the Financial Statements

Year ended 31 March 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 4th floor, 42 - 48 Great Portland Street, London, W1W 7NB.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 April 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 15.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying small entity as defined in FRS 102. As such, advantage has been taken of the following disclosure exemptions available under section 1A of FRS 102:

(a) No cash flow statement has been presented for the company.

(b) Disclosures in respect of financial instruments have not been presented.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of all applicable taxes.

Turnover shown in the Profit and Loss account mainly comprises of sales commission invoiced whilst acting as an agent, selling film rights on behalf of producers to distributors throughout the world.

Turnover in respect of contracts for on-going services, is recognised by reference to the stage of completion.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Protagonist Pictures Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

3. Accounting policies *(continued)*

Income tax *(continued)*

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Computer Software	-	Straight line over 5 years
Fixtures & Fittings	-	Straight line over 3 years
Equipment	-	Straight line over 3 years

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Protagonist Pictures Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Contracted development investments

Contracted development investment spend, and attributable third party costs, are recognised at cost less 50%. A further impairment review is then carried out at the balance sheet date to assess whether any additional amounts should be provided for.

Protagonist Pictures Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

4. Auditor's remuneration

	2017	2016
	£	£
Fees payable for the audit of the financial statements	<u>6,000</u>	<u>5,500</u>

5. Employee numbers

The average number of persons employed by the company during the year, including the directors, amounted to 15 (2016: 14).

6. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2017	2016
	£	£
Remuneration	185,000	123,078
Company contributions to defined contribution pension plans	<u>6,740</u>	<u>5,437</u>
	<u>191,740</u>	<u>128,515</u>

7. Profit before taxation

Profit before taxation is stated after charging:

	2017	2016
	£	£
Depreciation of tangible assets	<u>7,626</u>	<u>6,492</u>

8. Tangible assets

	Land and buildings £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 April 2016	17,169	7,568	29,461	54,198
Additions	<u>8,681</u>	<u>183</u>	<u>4,758</u>	<u>13,622</u>
At 31 March 2017	<u>25,850</u>	<u>7,751</u>	<u>34,219</u>	<u>67,820</u>
Depreciation				
At 1 April 2016	14,339	7,043	26,758	48,140
Charge for the year	<u>2,894</u>	<u>587</u>	<u>4,145</u>	<u>7,626</u>
At 31 March 2017	<u>17,233</u>	<u>7,630</u>	<u>30,903</u>	<u>55,766</u>
Carrying amount				
At 31 March 2017	<u>8,617</u>	<u>121</u>	<u>3,316</u>	<u>12,054</u>
At 31 March 2016	<u>2,830</u>	<u>525</u>	<u>2,703</u>	<u>6,058</u>

Protagonist Pictures Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

9. Investments

	Shares in group undertakings £
Cost	
Additions	100
At 31 March 2017	<u>100</u>
Impairment	
At 1 Apr 2016 and 31 Mar 2017	<u>—</u>
Carrying amount	
At 31 March 2017	<u>100</u>
At 31 March 2016	<u>—</u>

The company is exempt from the obligation to prepare and deliver group accounts.

10. Debtors

	2017 £	2016 £
Trade debtors	951,061	599,646
Amounts owed by group undertakings and undertakings in which the company has a participating interest	31,687	—
Film Advance	177,114	1,474,887
Other debtors	972,668	1,018,318
	<u>2,132,530</u>	<u>3,092,851</u>

Within the other debtors figure, an amount of £161,999 (2016: £1,474,887) relates to advances on films and is repayable over a period of 10 years.

11. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	63,247	28,848
Accruals and deferred income	128,011	99,540
Corporation tax	122,540	70,775
Social security and other taxes	55,410	80,806
Other creditors	999,283	58,133
	<u>1,368,491</u>	<u>338,102</u>

12. Creditors: amounts falling due after more than one year

	2017 £	2016 £
Other creditors	<u>—</u>	<u>1,836,708</u>

Protagonist Pictures Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

13. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2017	2016
	£	£
Not later than 1 year	59,450	59,450
Later than 1 year and not later than 5 years	19,871	79,321
	<u>79,321</u>	<u>138,771</u>

14. Related party transactions

The company was under the control of Nandv Media LLP throughout the current year by virtue of its 55% ownership in ordinary shares.

During the year the following transactions took place with related parties:-

The company received £nil(2016: £335,742) for advances on films from Nandv Media LLP. In respect of these advances the company paid £180,968 (2016: £52,687) as a premium to Nandv Media LLP, £65,179 (2015: £23,199) in interest, and repaid £1,257,369 (2016: £391,556) of the advances during the year. At the year end £185,152 (2016: £1,386,708) remained due to Nandv Media LLP due after one year.

The company invoiced sales of £93,764 (2016: £110,785) to 4 Ventures Limited, a shareholder in the company, in respect of library commission sales. A balance of £112,517 (2016: £132,100) remained in debtors at the year end.

At the year end Vertigo Films Ltd a subsidiary of Vertigo Holdings Ltd, a shareholder in the company, owed Protagonist Pictures Ltd £37,733 (2016: £23,760) in respect of VAT only for services supplied during the year.

No further transactions with related parties were undertaken such as are required to be disclosed under FRS 102 (Section 1A).

Key management personnel compensation

The remuneration of directors and other members of key management during the year was as follows:

	2017	2016
	£	£
Aggregate remuneration	290,980	94,500

15. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 April 2015.

No transitional adjustments were required in equity or profit or loss for the year.