

Financial Statements

Arri Cine Technik Limited

For the Year Ended 31 December 2016

Registered number: 07111405

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Company Information

Directors	S Schenk DM Oatley
Registered number	07111405
Registered office	2 Highbridge Oxford Road Uxbridge Middlesex UB8 1LX
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 1020 Eskdale Road Winnersh Wokingham Berkshire RG41 5TS

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Directors' Report

For the Year Ended 31 December 2016

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

Principal activity

The principal activity of the company during the year was to provide a service facility for camera associated equipment, sale of camera accessories and the provision of other services to its German parent company.

Directors

The Directors who served during the year were:

S Schenk
DM Oatley

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 laws), including FRS 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 and profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements 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.

Disclosure of information to auditor

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- The Directors have taken all the steps that ought to have been taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors' Report (continued)

For the Year Ended 31 December 2016

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small Companies Note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



DM Oatley
Director

Date: 3rd May 2017

Independent Auditor's Report to the Members of Arri Cine Technik Limited

We have audited the financial statements of Arri Cine Technik Limited for the year ended 31 December 2016, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' responsibilities statement on page 1, 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

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 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.



Independent Auditor's Report to the Members of Arri Cine Technik Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken during the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report under the Companies Act 2006

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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; or
- 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 from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

Grant Thornton UK LLP

Tracey James (Senior statutory auditor)
for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

Oxford

Date: 3 May 2017

Statement of Comprehensive Income

For the Year Ended 31 December 2016

	Note	2016 £	2015 £
Turnover		3,309,008	2,842,799
Cost of sales		(373,504)	(264,356)
Gross profit		2,935,504	2,578,443
Administrative expenses		(2,263,748)	(1,995,925)
Operating profit		671,756	582,518
Interest receivable and similar income	5	27,149	-
Profit before tax		698,905	582,518
Tax on profit	7	(170,627)	(122,066)
Profit for the year		528,278	460,452

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2016 (2015: £NIL).

The notes on pages 8 to 18 form part of these financial statements.

Statement of Financial Position

As at 31 December 2016

	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	8		127,672		87,021
			<u>127,672</u>		<u>87,021</u>
Current assets					
Stocks	9	384,268		171,539	
Debtors	10	1,775,478		1,765,921	
Cash at bank and in hand	11	753,819		46,273	
		<u>2,913,565</u>		<u>1,983,733</u>	
Creditors: amounts falling due within one year	12	(891,463)		(449,082)	
Net current assets			<u>2,022,102</u>		<u>1,534,651</u>
Total assets less current liabilities			<u>2,149,774</u>		<u>1,621,672</u>
Provisions for liabilities					
Deferred taxation	14	-		(176)	
		<u>-</u>		<u>(176)</u>	
Net assets			<u><u>2,149,774</u></u>		<u><u>1,621,496</u></u>
Capital and reserves					
Called up share capital	15	100,000		100,000	
Profit and loss account		<u>2,049,774</u>		<u>1,521,496</u>	
		<u><u>2,149,774</u></u>		<u><u>1,621,496</u></u>	

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



DM Oatley
Director

Date: 3rd May 2017

The notes on pages 8 to 18 form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 December 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	100,000	1,521,496	1,621,496
Comprehensive income for the year			
Profit for the year	-	528,278	528,278
Total comprehensive income for the year	-	528,278	528,278
At 31 December 2016	100,000	2,049,774	2,149,774

Statement of Changes in Equity

For the Year Ended 31 December 2015

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2015	100,000	1,061,044	1,161,044
Comprehensive income for the year			
Profit for the year	-	460,452	460,452
Total comprehensive income for the year	-	460,452	460,452
At 31 December 2015	100,000	1,521,496	1,621,496

The notes on pages 8 to 18 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2016

1. General information

Arri Cine Technik is a private company limited by shares, incorporated in England and Wales. The registered office is 2 Highbridge, Oxford Road, Uxbridge, Middlesex, UB8 1LX.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom 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 management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Arri AG as at 31 December 2016 and these financial statements may be obtained from 2 Highbridge, Oxford Road, Uxbridge, Middlesex, UB8 1LX.

2.3 Going concern

After reviewing the Company's forecasts and projections, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis of accounting in preparing its financial statements.

2.4 Turnover

Turnover represents the amount invoiced (excluding Value Added Tax) for the servicing of camera and associated equipment, together with the charge for services provided to the German parent company during the period. A standard 12 month warranty is recognised upon delivery to customers.

2.5 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

Notes to the Financial Statements

For the Year Ended 31 December 2016

2. Accounting policies (continued)

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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 3 to 8 years straight line
Office equipment	- 2 to 5 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.7 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchases on a first in first out basis.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Notes to the Financial Statements

For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 Financial instruments

The Company 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, loans to related parties and investments in non-puttable ordinary shares.

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, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

2.12 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.

2.13 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

Notes to the Financial Statements

For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.14 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in 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 operates and generates 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Notes to the Financial Statements

For the Year Ended 31 December 2016

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

Preparation of the financial statements requires management to make significant judgements and estimates. Judgements and estimates are continually re-assessed and are based on historical experience as well as other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The judgements and estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain assets.

Provisions

In recognising provisions, the company evaluates the extent to which it is probable that it has incurred a legal or constructive obligation in respect of past events and the probability that there will be an outflow of benefits as a result. The judgements used to recognise provisions are based on currently known factors which may vary over time, resulting in changes in the measurement of recorded amounts as compare to initial estimates.

Deferred tax

The recognition of deferred tax assets is based on forecasts of future taxable profit. The measurement of future taxable profit for the purposes of determining whether or not to recognise deferred tax assets depends on many factors, including the company's ability to generate such profits and the implementation of effective tax planning strategies. The occurrence or non occurrence of such events in the future may lead to significant changes in the measurement of deferred tax assets.

4. Auditor's remuneration

	2016 £	2015 £
Fees payable to the Company's auditor for the Company audit	8,550	8,300
	<u>8,550</u>	<u>8,300</u>

5. Interest receivable

	2016 £	2015 £
Interest receivable from group companies	27,149	-
	<u>27,149</u>	<u>-</u>

Notes to the Financial Statements

For the Year Ended 31 December 2016

6. Employees

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	1,099,907	964,682
Social security costs	103,980	95,813
Cost of defined contribution scheme	241,261	234,341
	<u>1,445,148</u>	<u>1,294,836</u>

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

	2016 No.	2015 No.
Marketing	3	3
Business development staff	6	6
Service staff	10	8
	<u>19</u>	<u>17</u>

7. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	150,311	126,832
Adjustments in respect of previous periods	22,285	(2,162)
Total current tax	<u>172,596</u>	<u>124,670</u>
Deferred tax		
Origination and reversal of timing differences	(1,951)	(2,340)
Changes to tax rates	(18)	(264)
Total deferred tax	<u>(1,969)</u>	<u>(2,604)</u>
Taxation on profit on ordinary activities	<u>170,627</u>	<u>122,066</u>

Notes to the Financial Statements

For the Year Ended 31 December 2016

7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 -higher 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>698,905</u>	<u>582,518</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 -20.25%)	139,781	118,027
Effects of:		
Expenses not deductible for tax purposes	8,300	6,332
Adjustments to tax charge in respect of prior periods	22,285	(2,162)
Other differences	261	(131)
Total tax charge for the year	<u>170,627</u>	<u>122,066</u>

Factors that may affect future tax charges

During the year, the UK corporation tax rate was decreased. Following the latest budget announcements, there will be a further reduction in the main rate of corporation tax to 17% from 1 April 2020.

Notes to the Financial Statements

For the Year Ended 31 December 2016

8. Tangible fixed assets

	Plant and machinery £	Office equipment £	Total £
Cost or valuation			
At 1 January 2016	160,248	41,686	201,934
Additions	31,934	50,202	82,136
At 31 December 2016	192,182	91,888	284,070
Depreciation			
At 1 January 2016	93,258	21,655	114,913
Charge for the period on owned assets	30,376	11,109	41,485
At 31 December 2016	123,634	32,764	156,398
Net book value			
At 31 December 2016	68,548	59,124	127,672
At 31 December 2015	66,990	20,031	87,021

9. Stocks

	2016 £	2015 £
Consumables	384,268	171,539
	384,268	171,539

Stock recognised in cost of sales during the year as an expense was £334,300 (2015: £235,653).

An impairment loss of £7,774 (2015: £nil) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

Notes to the Financial Statements

For the Year Ended 31 December 2016

10. Debtors

	2016 £	2015 £
Due after more than one year		
Amounts owed by group undertakings	1,244,259	1,065,817
	<u>1,244,259</u>	<u>1,065,817</u>
Due within one year		
Trade debtors	59,538	71,473
Amounts owed by group undertakings	342,318	553,634
Other debtors	74,668	3,711
Prepayments and accrued income	52,902	-
Tax recoverable	-	71,286
Deferred taxation	1,793	-
	<u>1,775,478</u>	<u>1,765,921</u>

11. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	753,819	46,273
	<u>753,819</u>	<u>46,273</u>

12. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	120,260	61,940
Amounts owed to group undertakings	586,128	263,388
Corporation tax	31,309	-
Other taxation and social security	-	9,840
Other creditors	8,108	-
Accruals and deferred income	145,658	113,914
	<u>891,463</u>	<u>449,082</u>

Notes to the Financial Statements

For the Year Ended 31 December 2016

13. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets measured at amortised cost	1,720,783	1,694,635
	<u>1,720,783</u>	<u>1,694,635</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(860,154)	(439,242)
	<u>(860,154)</u>	<u>(439,242)</u>

Financial assets measured at amortised cost comprise trade and other debtors, and amounts due from group undertakings.

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

14. Deferred taxation

	2016 £
At beginning of year	(176)
Charged to the Statement of Comprehensive Income	1,969
At end of year	<u>1,793</u>

The deferred taxation balance is made up as follows:

	2016 £
Accelerated capital allowances	1,793
	<u>1,793</u>

Notes to the Financial Statements

For the Year Ended 31 December 2016

15. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	100,000	100,000

16. Commitments under operating leases

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

	2016 £	2015 £
Not later than 1 year	16,503	26,127
Later than 1 year and not later than 5 years	6,654	28,675
	23,157	54,802

17. Related party transactions

The company has taken advantage of the exemption available in FRS 102 section 33 not to disclose transactions with entities that are part of the group by virtue of its status as a 100% owned subsidiary of a parent whose financial statements are consolidated and made publicly available.

18. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is A&R Beteiligungsgesellschaft GMBH, registered in Germany. The company's ultimate parent undertaking is Stahl Beteiligungs GMBH, incorporated in Germany. In the opinion of the directors, the ultimate controlling parties are Christoph Stahl, Carolin Stahl and Florian Stahl, by virtue of their majority shareholdings in Stahl Beteiligungs GMBH.

The largest and smallest Group in which the results of the company are consolidated is that headed by Stahl Beteiligungs GMBH, incorporated in Germany. The accounts are available to the public and may be obtained from the German register, Federal Gazette.