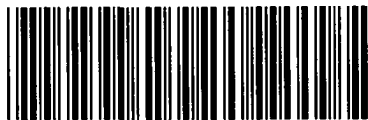


COMPANY REGISTRATION NUMBER: 08160449

Drama Republic Limited
Amending Financial Statements
31 March 2018

SATURDAY



A8KATUSY

A16

14/12/2019

#343

COMPANIES HOUSE

Drama Republic Limited

Financial Statements

Year ended 31 March 2018

Contents	Page
Officers and professional advisers	1
Strategic report	2
Directors' report	3
Independent auditor's report to the members	5
Consolidated statement of comprehensive income	9
Consolidated statement of financial position	10
Company statement of financial position	11
Consolidated statement of changes in equity	12
Company statement of changes in equity	13
Consolidated statement of cash flows	14
Notes to the financial statements	15

Drama Republic Limited

Officers and Professional Advisers

The board of directors

G Brenman
R Benn
S M Liddell
J Liknaitzky
A F M Wright
D P Wray

Registered office

11/15 Emerald Street
London
WC1N 3QL

Auditor

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

Drama Republic Limited

Strategic Report

Year ended 31 March 2018

Business Review and Future Developments

The principal activity of the company and group continues to be that of television drama productions.

The directors are pleased to report a successful trading year for the group companies, resulting in a significant increase in group turnover. Production costs have remained under close control resulting in a net operating profit for the financial year of £331,795.

We remained on budget on the two titles delivered during the 2017/18 and production commenced on a further three, due to deliver in 2018/19.

Royalty income during the financial year was boosted by strong international sales and a weak Pound following the result of the Brexit referendum in 2016.

We expect gross profits to increase significantly next year as we will be delivering our first two SVOD commissions. We have a production greenlight on a returnable BBC series which will be going into pre-production in March 2019 and are hopeful for two second-series commissions the following year. Our development slate is robust with a large number of funded projects and reflects commissions by all of the UK broadcasters.

Financial Risk Management Objectives and Policies

The group is exposed to various financial risks that arise as a normal part of its trading activities. The main risks are considered to be production cash flow - resulting in borrowing - and potential foreign currency exposure.

The group's major financial assets are its trade debtors and cash at bank. The company's customers are major UK and international broadcasters so there is considered very little risk over the non-recovery of debts.

This report was approved by the board of directors on **6 DEC 2019** and signed on behalf of the board by:



G Brenman
Director

Drama Republic Limited

Directors' Report

Year ended 31 March 2018

The directors present their report and the amending financial statements of the group for the year ended 31 March 2018.

The revised financial statements replace the original financial statements for 31 March 2018 and are now the statutory financial statements for that year end. They have been prepared as at the date of the original financial statements and not as at the date of the revision and accordingly do not deal with events between those dates.

The only change made to these amended financial statements is in respect of the presentation of the comparative year tax reconciliation note (Note 10).

Directors

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

G Brenman
R Benn
S M Liddell
J Liknaitzky
A F M Wright
D P Wray

Dividends

The directors do not recommend the payment of a dividend.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 group and the company and the profit or loss of the group 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.

Drama Republic Limited

Directors' Report *(continued)*

Year ended 31 March 2018

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 group and 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 group and the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on **6 DEC 2019** and signed on behalf of the board by:



G Brenman
Director

Drama Republic Limited

Independent Auditor's Report to the Members of Drama Republic Limited

Year ended 31 March 2018

Opinion

We have audited the revised financial statements of Drama Republic Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2018 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). The comparative data is unaudited.

In our opinion the revised financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2018 and of the group's profit for the year then ended, seen as at the date the original financial statements were approved;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Drama Republic Limited

Independent Auditor's Report to the Members of Drama Republic Limited

(continued)

Year ended 31 March 2018

In connection with our audit of the amended financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters 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 strategic report and the directors' report for the financial year for which the amended financial statements are prepared is consistent with the amended financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Drama Republic Limited

Independent Auditor's Report to the Members of Drama Republic Limited (continued)

Year ended 31 March 2018

Auditor's responsibilities for the audit of the amended financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Drama Republic Limited

Independent Auditor's Report to the Members of Drama Republic Limited (continued)

Year ended 31 March 2018

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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



Simon Robinson (Senior Statutory Auditor)

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

13 DEC 2019

Drama Republic Limited
Consolidated Statement of Comprehensive Income
Year ended 31 March 2018

	Note	2018 £	2017 £
Turnover	4	13,853,452	7,600,859
Cost of sales		(11,945,039)	(7,077,437)
Gross profit		1,908,413	523,422
Administrative expenses		(1,576,618)	(1,063,816)
Operating profit/(loss)	5	331,795	(540,394)
Interest payable and similar expenses	9	—	(16,783)
Profit/(loss) before taxation		331,795	(557,177)
Tax on profit/(loss)	10	2,516,984	1,352,666
Profit for the financial year and total comprehensive income		<u>2,848,779</u>	<u>795,489</u>

All the activities of the group are from continuing operations.

The notes on pages 15 to 22 form part of these financial statements.

Drama Republic Limited
Consolidated Statement of Financial Position
31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	11	72,656	67,475
Investments	12	10	10
		<u>72,666</u>	<u>67,485</u>
Current assets			
Stocks	13	233,265	259,609
Debtors	14	4,979,855	3,204,259
Cash at bank and in hand		5,524,137	1,384,967
		<u>10,737,257</u>	<u>4,848,835</u>
Creditors: amounts falling due within one year	15	<u>(6,879,845)</u>	<u>(3,835,021)</u>
Net current assets		<u>3,857,412</u>	<u>1,013,814</u>
Total assets less current liabilities		<u>3,930,078</u>	<u>1,081,299</u>
Net assets		<u>3,930,078</u>	<u>1,081,299</u>
Capital and reserves			
Called up share capital	17	210	210
Profit and loss account	18	3,929,868	1,081,089
Shareholders funds		<u>3,930,078</u>	<u>1,081,299</u>

These financial statements were approved by the board of directors and authorised for issue on ~~6 DEC 2019~~, and are signed on behalf of the board by:



G Brenman
Director

Company registration number: 08160449

The notes on pages 15 to 22 form part of these financial statements.

Drama Republic Limited
Company Statement of Financial Position
31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	11	72,656	67,475
Investments	12	16	24
		<u>72,672</u>	<u>67,499</u>
Current assets			
Stocks	13	233,265	259,609
Debtors	14	1,611,704	588,393
Cash at bank and in hand		2,890,902	1,082,972
		<u>4,735,871</u>	<u>1,930,974</u>
Creditors: amounts falling due within one year	15	<u>(1,152,486)</u>	<u>(917,174)</u>
Net current assets		<u>3,583,385</u>	<u>1,013,800</u>
Total assets less current liabilities		<u>3,656,057</u>	<u>1,081,299</u>
Net assets		<u>3,656,057</u>	<u>1,081,299</u>
Capital and reserves			
Called up share capital	17	210	210
Profit and loss account	18	3,655,847	1,081,089
Shareholders funds		<u>3,656,057</u>	<u>1,081,299</u>

The profit for the financial year of the parent company was £2,574,758 (2017: £795,489).

These financial statements were approved by the board of directors and authorised for issue on ~~6 DEC 2019~~, and are signed on behalf of the board by:



G Brenman
Director

Company registration number: 08160449

The notes on pages 15 to 22 form part of these financial statements.

Drama Republic Limited
Consolidated Statement of Changes in Equity
Year ended 31 March 2018

	Called up share capital £	Profit and loss account £	Total £
At 1 April 2016	210	285,600	285,810
Profit for the year	—	795,489	795,489
Total comprehensive income for the year	—	795,489	795,489
At 31 March 2017	210	1,081,089	1,081,299
Profit for the year	—	2,848,779	2,848,779
Total comprehensive income for the year	—	2,848,779	2,848,779
At 31 March 2018	<u>210</u>	<u>3,929,868</u>	<u>3,930,078</u>

The notes on pages 15 to 22 form part of these financial statements.

Drama Republic Limited
Company Statement of Changes in Equity
Year ended 31 March 2018

	Called up share capital £	Profit and loss account £	Total £
At 1 April 2016	210	285,600	285,810
Profit for the year		795,489	795,489
Total comprehensive income for the year	—	795,489	795,489
At 31 March 2017	210	1,081,089	1,081,299
Profit for the year		2,574,758	2,574,758
Total comprehensive income for the year	—	2,574,758	2,574,758
At 31 March 2018	<u>210</u>	<u>3,655,847</u>	<u>3,656,057</u>

The notes on pages 15 to 22 form part of these financial statements.

Drama Republic Limited
Consolidated Statement of Cash Flows
Year ended 31 March 2018

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	2,848,779	795,489
<i>Adjustments for:</i>		
Depreciation of tangible assets	45,473	13,159
Interest payable and similar expenses	–	16,783
Tax on profit	(2,516,984)	(1,352,666)
Accrued expenses/(income)	129,008	(1,020,309)
<i>Changes in:</i>		
Stocks	26,344	(117,862)
Trade and other debtors	(296,155)	(2,124,971)
Trade and other creditors	1,068,375	976,845
Cash generated from operations	1,304,840	(2,813,532)
Interest paid	–	(16,783)
Tax received	2,516,975	1,262,017
Net cash from/(used in) operating activities	<u>3,821,815</u>	<u>(1,568,298)</u>
Cash flows from investing activities		
Purchase of tangible assets	(50,654)	(75,279)
Net cash used in investing activities	<u>(50,654)</u>	<u>(75,279)</u>
Cash flows from financing activities		
Proceeds from borrowings	368,000	1,932,000
Net cash from financing activities	<u>368,000</u>	<u>1,932,000</u>
Net increase in cash and cash equivalents	4,139,161	288,423
Cash and cash equivalents at beginning of year	1,384,976	1,096,553
Cash and cash equivalents at end of year	<u>5,524,137</u>	<u>1,384,976</u>

The notes on pages 15 to 22 form part of these financial statements.

Drama Republic Limited
Notes to the Financial Statements
Year ended 31 March 2018

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 11/15 Emerald Street, London, WC1N 3QL.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, '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.

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The financial statements consolidate the financial statements of Drama Republic Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

The turnover shown in the profit and loss account represents amounts invoiced and receivable from the principal activity of the company and is stated net of Value Added Tax. Revenue is recognised when there is a right to consideration based on the stage of project development.

Drama Republic Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

3. Accounting policies *(continued)*

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.

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.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

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:

Leasehold property	-	straight line over the lease term
Fixtures & fittings	-	straight line over 4 years
Office equipment	-	straight line over 4 years

Investments

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

Drama Republic Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

3. Accounting policies *(continued)*

Investments in associates

Investments in associates are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate.

Stocks

Stocks consist of work in progress which is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

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.

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.

4. Turnover

Turnover arises from:

	2018 £	2017 £
Drama productions	<u>13,853,452</u>	<u>7,600,859</u>

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

5. Operating profit

Operating profit or loss is stated after charging:

	2018 £	2017 £
Depreciation of tangible assets	<u>45,473</u>	<u>13,159</u>

6. Auditor's remuneration

	2018 £	2017 £
Fees payable for the audit of the financial statements	<u>15,000</u>	<u>—</u>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	<u>20,135</u>	<u>9,167</u>

Drama Republic Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

7. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2018 No.	2017 No.
Administrative staff	8	7
Management staff	6	6
	<u>14</u>	<u>13</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2018 £	2017 £
Wages and salaries	1,127,216	767,889
Social security costs	136,215	92,241
Other pension costs	8,587	14,055
	<u>1,272,018</u>	<u>874,185</u>

8. Directors' remuneration

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

	2018 £	2017 £
Remuneration	<u>783,500</u>	<u>484,475</u>

Remuneration of the highest paid director in respect of qualifying services:

	2018 £	2017 £
Aggregate remuneration	<u>145,518</u>	<u>92,500</u>

9. Interest payable and similar expenses

	2018 £	2017 £
Other interest payable and similar charges	<u>—</u>	<u>16,783</u>

10. Tax on profit

Major components of tax (income)/expense

	2018 £	2017 £
Current tax:		
UK current tax expense	(2,255,834)	(1,352,666)
Adjustments in respect of prior periods	<u>(261,150)</u>	<u>—</u>
Total current tax	<u>(2,516,984)</u>	<u>(1,352,666)</u>
Tax on profit	<u>(2,516,984)</u>	<u>(1,352,666)</u>

Drama Republic Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

10. Tax on profit *(continued)*

Reconciliation of tax income

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017: 20%).

	2018 £	2017 (amended) £
Profit/(loss) on ordinary activities before taxation	331,795	(557,177)
Profit/(loss) on ordinary activities by rate of tax	63,041	(111,435)
Adjustment to tax charge in respect of prior periods	(261,150)	(89)
Effect of expenses not deductible for tax purposes	1,900	1,012
Effect of capital allowances and depreciation	—	(2,378)
Other tax adjustments in period	184,804	282,875
Film tax credit	(2,505,579)	(1,522,651)
Tax on profit	(2,516,984)	(1,352,666)

11. Tangible assets

Group and company	Leasehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost				
At 1 April 2017	61,230	3,169	28,382	92,781
Additions	38,245	3,228	9,181	50,654
At 31 March 2018	<u>99,475</u>	<u>6,397</u>	<u>37,563</u>	<u>143,435</u>
Depreciation				
At 1 April 2017	7,455	2,705	15,146	25,306
Charge for the year	37,849	811	6,813	45,473
At 31 March 2018	<u>45,304</u>	<u>3,516</u>	<u>21,959</u>	<u>70,779</u>
Carrying amount				
At 31 March 2018	<u>54,171</u>	<u>2,881</u>	<u>15,604</u>	<u>72,656</u>
At 31 March 2017	<u>53,775</u>	<u>464</u>	<u>13,236</u>	<u>67,475</u>

12. Investments

Group	Shares in group undertaking s £
Cost	
At 1 April 2017	10
Additions	-
Disposals	-
At 31 March 2018	<u>10</u>
Impairment	
At 1 April 2017 and 31 March 2018	<u>-</u>

Drama Republic Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

12. Investments *(continued)*

Group	Shares in group undertaking s £
Carrying amount At 31 March 2018	10
At 31 March 2017	10
Company	Shares in group undertaking s £
Cost	
At 1 April 2017	24
Additions	2
Disposals	(10)
At 31 March 2018	16
Impairment	
At 1 April 2017 and 31 March 2018	—
Carrying amount At 31 March 2018	16
At 31 March 2017	24

Subsidiaries, associates and other investments

Details of the investments in which the group and the parent company have an interest of 20% or more are as follows:

	Class of share	Percentage of shares held
Subsidiary undertakings		
Dr Foster TV Ltd	Ordinary	100
Doctor Foster 2 TV Ltd	Ordinary	100
KC3 TV Ltd	Ordinary	100
Wander TV Ltd	Ordinary	100
Pure TV Ltd	Ordinary	100
Associates		
Honourable Woman Ltd	Ordinary	40
Forgiving Earth Ltd	Ordinary	30
Big Blue Productions Ltd	Ordinary	30

The subsidiary undertakings named above are consolidated in the group accounts. They all share the same registered office address as the parent company.

Drama Republic Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

12. Investments *(continued)*

Investments in associates and joint ventures

The parent company share in the associated undertakings net assets is reflect in the share capital held at the balance sheet date.

13. Stocks

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Work in progress	<u>233,265</u>	<u>259,609</u>	<u>233,265</u>	<u>259,609</u>

14. Debtors

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	255,592	748,266	747,360	514,297
Prepayments and accrued income	2,469,711	987,667	767,637	40,258
Corporation tax repayable	2,184,845	1,434,488	—	—
Other debtors	69,707	33,838	96,707	33,838
	<u>4,979,855</u>	<u>3,204,259</u>	<u>1,611,704</u>	<u>588,393</u>

15. Creditors: amounts falling due within one year

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Bank loans and overdrafts	2,300,000	1,932,000	—	—
Trade creditors	405,489	615,926	402,122	465,643
Accruals and deferred income	3,651,153	1,074,043	26,016	12,276
Corporation tax	—	—	249,745	170,074
Social security and other taxes	523,203	213,052	474,603	269,181
	<u>6,879,845</u>	<u>3,835,021</u>	<u>1,152,486</u>	<u>917,174</u>

Included within trade creditors are production advances of £335,669 (2017: £440,050). The bank loans are repayable within one year and are supported by a fixed and floating charge with Barclays Bank plc.

16. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £8,587 (2017: £14,055).

Drama Republic Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

17. Called up share capital

Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary A shares of £0.01 each	6,000	60	6,000	60
Ordinary B shares of £0.01 each	4,500	45	4,500	45
Ordinary C shares of £0.01 each	10,500	105	10,500	105
	<u>21,000</u>	<u>210</u>	<u>21,000</u>	<u>210</u>

18. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

19. Operating leases

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

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Later than 1 year and not later than 5 years	<u>95,429</u>	<u>171,718</u>	<u>95,429</u>	<u>171,718</u>

20. Related party transactions

Company and Group

The company and group remained under the control of Mr G Brenman, being a director and majority shareholder in the parent company throughout the year.

No material transactions with related parties were undertaken such as are required to be disclosed under the Financial Reporting Standard 102.