

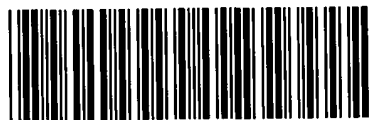
**Agatha Christie Productions  
Limited**

Annual report and financial  
statements

Registered number 8265087

Year ended 31 December 2016

FRIDAY



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## Directors' report

The directors present their report together with the financial statements for the year to 31 December 2016.

### Principal activities

The principal activity during the period was to act as the production company for its immediate parent company Agatha Christie Limited.

The Company has met the requirements in Companies Act 2006 to obtain the exemption provided from the presentation of an enhanced strategic report.

### Results and dividends

The profit after taxation for the year amounted to £231,000 (2015: £123,000).

The directors do not recommend the payment of a dividend for the year ended 31 December 2016 (2015: £nil).

### Directors

The directors who held office during the year and until the date of the signing of the accounts were as follows:

JM Barrow  
J Prichard  
M Prichard  
H Strong (resigned 31<sup>st</sup> October 2016)  
M Stevens

### Political and charitable contributions

The Company did not make any political or charitable donations during the year (2015: £nil).

### Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the 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.

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and BDO LLP will therefore continue in office.

### Approval and Signing

This directors' report has been prepared having taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

By order of the board



**P A Beale**  
Secretary

23<sup>rd</sup> May 2017

161 Drury Lane  
Covent Garden  
London WC2B 5PN

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 of 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 judgements 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AGATHA CHRISTIE PRODUCTIONS LTD**

We have audited the financial statements of Agatha Christie Productions Limited for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, 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 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 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 statement of directors' responsibilities, 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 (FRC'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 FRC's website at [www.frc.org.uk/auditscopeukprivate](http://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 UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AGATHA CHRISTIE PRODUCTIONS LTD (continued)**

### **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 directors' report and the financial statements in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

BDO LLP

*James Fearon (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
Gatwick*

*Date 23 May 2017*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## Statement of comprehensive income

*for the year ended 31 December 2016*

	<i>Note</i>	<b>Year ended 31 December 2016 £000</b>	Year ended 31 December 2015 £000
Turnover	<i>3</i>	<b>4,899</b>	9,225
Cost of sales		<b>(4,580)</b>	(9,031)
<b>Gross profit</b>		<b>319</b>	194
Administrative expenses		<b>(27)</b>	(40)
<b>Operating profit</b>		<b>292</b>	154
Interest payable and similar charges	<i>6</i>	<b>(3)</b>	(1)
<b>Profit on ordinary activities before taxation</b>	<i>4</i>	<b>289</b>	153
Tax on profit on ordinary activities	<i>7</i>	<b>(58)</b>	(30)
<b>Profit for the financial year</b>		<b>231</b>	123
<b>Other Comprehensive income</b>			
<i>Items that will or may be reclassified to profit and loss</i>			
Cash flow hedges	<i>10</i>	<b>(48)</b>	-
<b>Total comprehensive income for the year</b>		<b>183</b>	123

The results for both years relate to continuing activities.

## Balance sheet

at 31 December 2016

	Note	At 31 December 2016		At 31 December 2015	
		£000	£000	£000	£000
<b>Fixed assets</b>					
Film & TV related investments	8		1,268		3,499
			<u>1,268</u>		<u>3,499</u>
<b>Current assets</b>					
Work in progress		165		57	
Debtors	9	562		505	
Cash at bank		119		340	
		<u>846</u>		<u>902</u>	
<b>Creditors:</b> amounts falling due within one year	10	(1,802)		(4,272)	
		<u></u>		<u></u>	
<b>Net current (liabilities)/assets</b>			(956)		(3,370)
<b>Net assets</b>			<u>312</u>		<u>129</u>
<b>Capital and reserves</b>					
Called up share capital	11	-		-	
Retained earnings		360		129	
Cash flow hedging reserve		(48)		-	
		<u>312</u>		<u>129</u>	
<b>Shareholders' funds</b>			<u>312</u>		<u>129</u>

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

These financial statements were approved by the board of directors and authorised for issue on 2017. They were signed on its behalf by:

 23.5.17

**J Prichard**  
Director



## Statement of changes in equity

at 31 December 2016

	Share capital £000	Profit and loss account £000	Cash flow hedge reserve £000	Total equity £000
<b>1 January 2016</b>	-	129	-	129
<b>Comprehensive income for the year</b>				
Profit for the year	-	231	-	231
Hedge effective portion of change in fair value of designated hedging instrument	-	-	(48)	(48)
<b>Other comprehensive income for the year</b>	-	-	(48)	(48)
<b>Total comprehensive income for the year</b>	-	231	(48)	183
<b>Contributions by and distributions to owners</b>				
Dividends	-	-	-	-
<b>31 December 2016</b>	-	360	(48)	312
<b>1 January 2015</b>	-	6	-	6
<b>Profit and total comprehensive income for the year</b>				
Profit for the year	-	123	-	123
<b>Contributions by and distributions to owners</b>				
Dividends	-	-	-	-
<b>31 December 2015</b>	-	129	-	129

## Notes

(forming part of the financial statements)

### 1 Accounting policies

#### ***Basis of preparation***

Agatha Christie Productions Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is 161 Drury Lane, London WC2B 5PN and the nature of its principal activities are set out in the directors' report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The directors have assessed it appropriate to prepare the financial statements on the going concern basis, and have done so accordingly.

#### ***Disclosure exemptions***

In preparing the financial statements, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the Company.
- Related party disclosures relating to the parent company have been excluded.

The following principal accounting policies have been applied:

#### ***Foreign currencies***

Transactions in foreign currencies are recorded using the rate of exchange ruling for the month of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit and loss within administrative expenses.

#### ***Financial assets***

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost, less any impairment. Financial assets measured at amortised cost comprise cash, trade debtors, other debtors, and amounts owed by group undertakings.

#### ***Financial liabilities***

Financial liabilities measured at amortised cost comprise bank loans, trade creditors, other creditors, accruals, and amounts owed to parent undertaking.

#### ***Cash flow hedges***

Hedge accounting is applied to financial assets and financial liabilities only where all of the following criteria are met:

- At the inception of the hedge there is formal designation and documentation of the hedging relationship and the Company's risk management objective and strategy for undertaking the hedge.
- For cash flow hedges, the hedged item in a forecast transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect profit and loss.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Cash flow hedges (continued)*

- The cumulative change in the fair value of the hedging instrument is expected to be between 80-125% of the cumulative change in the fair value of cash flows of the hedged item attributable to the risk hedged (i.e. it is expected to be highly effective).
- The effectiveness of the hedge can be reliably measured.
- The hedge remains highly effective on each date tested. Effectiveness is tested annually.

The effective part of forward contracts designated as a hedge of the variability in cash flows of foreign currency risk arising from firm commitments, and highly probable forecast transactions, are measured at fair value with changes in fair value recognised in other comprehensive income and accumulated in the cash flow hedge reserve. See note 10 for further details on the Company's use of hedging contracts.

If a highly probable forecast transaction results in the recognition of a non-monetary asset, the cumulative loss/(gain) is added to/(subtracted from) the cost of the asset acquired. Otherwise the cumulative gain or loss recognised in other comprehensive income is reclassified from the cash flow hedge reserve to profit or loss at the same time as the hedged transaction affects profit or loss. The two transactions are recognised in the same line item.

If a forecast transaction is no longer considered highly probable but the forecast transaction is still expected to occur, the cumulative gain or loss recognised in other comprehensive income is frozen and recognised in profit or loss in accordance with the policy set out in the paragraph above. Subsequent changes in the fair value of the derivative are recognised in profit or loss. If the Company closes out its position before the transaction takes place (even though it is still expected to take place) the cumulative gain or loss on changes in fair value of the derivative is similarly recognised in accordance with the policy set out in the paragraph above. If at any point the hedged transaction is no longer expected to occur, the cumulative gain or loss is reclassified from the cash flow hedge reserve to profit or loss immediately.

#### ***Stock and work in progress***

Stock and work in progress is held at the lower of cost and net realisable value.

#### ***Current taxation***

Tax is recognised in profit and loss, except that a charge attributable to an item of income or 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.

Current tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

## Notes (continued)

### 1 Accounting policies (continued)

#### **Turnover**

Turnover represents royalties and other income earned during the year (excluding VAT).

##### (a) Licensing Agreements

Contracted revenue from royalty contracts under a de minimus limit is recognised in the year the deal commences. Over this limit, contracted revenue is recognised by spreading income straight line over the term of the contract on a monthly basis starting with the month that the contract commences.

Royalty income in excess of the minimum contractual revenue is recognised in the year in which it is earned.

##### (b) Film & TV fees

Television and film fees are recognised as turnover when the programme is delivered to the broadcaster or distributor subject to the following criteria being met:

- (i) Contract signed by both parties;
- (ii) Contract has commenced; and
- (iii) Collection of licence fee is reasonably assured.

#### **Cash and liquid resources**

Cash comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

#### **Film & TV related investments**

Development costs are capitalised and transferred from current assets to assets under construction (within fixed assets) when a production agreement is signed by both parties or on commencement of principal photography, whichever is the earlier. Assets under construction are transferred to film and TV related investments on delivery of the master negative. Film and TV related investment costs are then amortised over the period that the investment is reasonably expected to generate revenues. The rates used are appropriate to the pattern of income expected from the sale of the programmes and films and any related merchandising and other sales. The current amortisation period is based upon each asset's useful economic life, no longer than 20 years.

#### **Capital and Reserves**

The Company's equity capital and reserves are as follows:

- Called up share capital represents the nominal value of the shares issued.
- Retained earnings represents cumulative profits or losses.
- Cash flow hedging reserve represents the movement in fair value of the effective portion of foreign exchange forward contracts that have not yet been settled and qualify for hedge accounting.

## Notes (continued)

### 2 Judgements in applying accounting policies and key sources of estimation uncertainty

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

- Determining whether there are indicators of impairment of the Company's film and TV assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the relevant asset.

#### ***Other key sources of estimation uncertainty***

- Film & TV related investments (see note 8)

Film & TV related investments are amortised over the period that the programme is expected to generate revenues and matched to the pattern of income expected from sales. In assessing expected future sales performance factors considered include past performance of the programme in question and other programmes in the same series, along with future market conditions and forecasts from distributors where available.

### 3 Turnover

Turnover represents fees and distribution revenues earned on the exploitation of the recent TV adaptations of Agatha Christie's works.

An analysis of turnover by geographical market is given below:

	Year ended 31 Dec 2016 £000	Year ended 31 Dec 2015 £000
United Kingdom	1,881	7,504
Americas	1,938	421
Rest of World	1,080	1,300
	<hr/> 4,899 <hr/>	<hr/> 9,225 <hr/>

## Notes (continued)

### 4 Profit on ordinary activities before taxation

	Year ended 31 December 2016 £000	Year ended 31 December 2015 £000
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	4	2
Amortisation of film & TV related investments	4,405	8,971
Exchange rate (gains) / losses	(8)	22
	<u>          </u>	<u>          </u>

### 5 Employees

All staff were employed by the Company's immediate parent, Agatha Christie Limited. Prior to 1<sup>st</sup> June 2015 all staff were employed by RLJ Entertainment Ltd, the parent company of Agatha Christie Ltd. Staff costs for both years were borne by Agatha Christie Ltd.

### 6 Interest payable and similar charges

	Year ended 31 December 2016 £000	Year ended 31 December 2015 £000
Interest payable to bank	-	1
Interest payable on production loan	3	-
	<u>          </u>	<u>          </u>

### 7 Taxation

#### *(a) Analysis of charge in year*

	Year ended 31 December 2016 £000	Year ended 31 December 2015 £000
Current tax on profits for the year	58	31
Adjustments in respect of prior years	-	(1)
	<u>          </u>	<u>          </u>
<b>Tax on profit on ordinary activities</b>	<u>58</u>	<u>30</u>

## Notes (continued)

### 7 Taxation (continued)

#### (b) Factors affecting the tax charge for the year

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

	Year ended 31 December 2016 £000	Year ended 31 December 2015 £000
Profit on ordinary activities before tax	289	153
Current tax at 20% (2015: 20.25%)	58	31
Effects of:		
Adjustment to tax charge in respect of previous periods	-	(1)
Total tax expense included in profit or loss	58	30

### 8 Film & TV related investments

	Total £000
<b>Cost</b>	
At beginning of year	12,470
Additions	2,174
Disposals	-
<b>At end of year</b>	<b>14,644</b>
<b>Amortisation</b>	
At beginning of year	8,971
Charge for year	4,405
Disposals	-
<b>At end of year</b>	<b>13,376</b>
<b>Net book value</b>	
<b>At 31 Dec 2016</b>	<b>1,268</b>
At 31 Dec 2015	3,499

## Notes (continued)

### 9 Debtors

	<b>2016</b>	2015
	<b>£000</b>	£000
Trade debtors	<b>233</b>	356
Other debtors	<b>45</b>	54
	<hr/>	<hr/>
<b>Total financial assets other than cash and cash equivalents classified as loans and receivables</b>	<b>278</b>	410
Prepayments and accrued income	<b>284</b>	95
	<hr/>	<hr/>
<b>Total trade and other receivables</b>	<b>562</b>	505
	<hr/> <hr/>	<hr/> <hr/>

All amounts shown under debtors fall due for payment within one year.

The fair value of trade and other receivables classified as loans and receivables approximates to their carrying value at 31 December 2016 and 31 December 2015. Credit risk has been addressed as part of the impairment provisioning. These receivables are not considered to be subject to ongoing fluctuations in market rates as a result of their short term nature. As at 31 December 2016 trade receivables of £nil (2015: £nil) were past due but not impaired.

### 10 Creditors: amounts falling due within one year

	<b>2016</b>	2015
	<b>£000</b>	£000
Trade creditors	<b>84</b>	9
Other creditors	<b>148</b>	31
Amounts owed to parent undertaking	<b>42</b>	259
Accruals	<b>424</b>	205
Bank loan	<b>-</b>	1,134
Foreign exchange forward contracts	<b>48</b>	-
	<hr/>	<hr/>
<b>Total financial liabilities</b>	<b>746</b>	1,638
Deferred income	<b>1,042</b>	2,634
Corporation tax payable	<b>14</b>	-
	<hr/>	<hr/>
	<b>1,802</b>	4,272
	<hr/> <hr/>	<hr/> <hr/>

Financial liabilities are measured at amortised cost, with the exception of the foreign exchange contracts which are measured at fair value.



## Notes (continued)

### 10 Creditors: amounts falling due within one year (continued)

There were no bank loans at 31 December 2016. The bank loan at 31 December 2015 was secured by a fixed and floating charge on the Company's assets and rights relating to the television programme entitled '*And Then There Were None*' and was repaid on 29 March 2016.

Due to the short term nature of the payables classified as financial liabilities measured at amortised cost, they are not subject to ongoing fluctuations in market rates, and so the fair value approximates to their carrying value at 31 December 2016 and 31 December 2015.

Maturity analysis of the financial liabilities is as follows (the amounts shown are undiscounted and represent the contractual cash flows):

	<b>2016</b> <b>£000</b>	2015 £000
Up to 3 months	<b>514</b>	1,619
Between 3 months and one year	<b>232</b>	19
	<hr/> <b>746</b> <hr/>	<hr/> 1,638 <hr/>

During the year the Company signed a distribution agreement for the television programme entitled '*The Witness For The Prosecution*' for which the distribution advance payments were to be received by the Company in US dollars over a period of seven months. To hedge the potential volatility in future currency exchange rates the Company entered into several forward foreign exchange contracts to sell US dollars to sterling matching the distribution advance payment instalment dates.

The forward contracts are accounted for as a hedge of exchange rate movements over the period that the distribution advance instalments are receivable, in accordance with FRS 102. For the year ended 31 December 2016 the change in fair value was a loss of £48,000 (2015: £nil). The hedge is considered to be 100% effective, and the entire charge was recognised in other comprehensive income.

### 11 Share capital

	<b>2016</b> <b>£</b>	2015 £
<i>Authorised</i>		
1 ordinary share of £1 each	<b>1</b>	1
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
1 ordinary share of £1 each	<b>1</b>	1
	<hr/>	<hr/>

## Notes (continued)

### 12 Related party transactions

The Company has taken advantage of the exemption conferred by FRS 102 paragraph 33.1A not to disclose transactions with Agatha Christie Limited on the grounds that it is a wholly owned subsidiary of Agatha Christie Limited.

During the year the following related party transactions occurred:

1. The Company recognised revenue of £nil (2015: £1,721,000) from sales to Acorn Global Enterprises Limited (AGE). AGE is 100% owned by RLJ Entertainment Limited, which via its shareholding in Agatha Christie Limited owns 64% of the Company. There was no outstanding balance as at 31 December 2016 (31 December 2015: £nil).
2. The Company recognised revenue of £194,000 (2015: £nil), including sales invoiced in the year of £115,000 (2015: £79,000) to RLJ Entertainment, Inc. which ultimately owns 64% of the Company's parent, Agatha Christie Limited. As at 31 December 2016 there was no outstanding balance receivable (2015: £nil).
3. The Company invoiced sales of £475,000 (2015: £nil), to Acorn Productions Limited (APL). APL is 100% owned by RLJ Entertainment Limited, which via its shareholding in Agatha Christie Limited owns 64% of the Company. As at 31 December 2016 these sales were held on the balance sheet as deferred income (2015: £nil) and there was £25,000 plus VAT (2015: £nil) receivable.
4. Administrative costs for the year ended 31 December 2016 of £nil (2015: £13,000) were recharged to the Company by RLJ Entertainment Limited, a shareholder of the Company's parent Agatha Christie Limited. There was no outstanding balance as at 31 December 2016 (2015: nil).

Key management personnel include all directors who together have authority and responsibility for planning, directing and controlling the activities of the Company. The compensation paid to key management personnel for services provided to the Company was borne by Agatha Christie Limited.

### 13 Capital commitments

At 31 December 2016 the Company had capital commitments under film and TV contracts of £63,000 (2015: £523,000) for which no provision has been made.

### 14 Contingent liabilities

At 31 December 2016 the Company did not have any material contingent liabilities (2015: £nil).

### 15 Controlling party

The Company is a wholly owned subsidiary of Agatha Christie Limited, which prepares consolidated accounts that include the Company. RLJ Entertainment, Inc. incorporated in the United States of America has a 64% shareholding in Agatha Christie Limited. The results of Agatha Christie Limited and Agatha Christie Productions Limited are included as an equity investment in the consolidated financial statements of RLJ Entertainment, Inc. The family of Agatha Christie hold the remaining issued share capital of Agatha Christie Limited. The directors consider the ultimate controlling party to be the family of Agatha Christie. Voting rights in Agatha Christie Limited are split 50/50, however the family of Agatha Christie have the casting vote.