

LITTLE MONSTER FILMS LTD
FINANCIAL STATEMENTS
30 SEPTEMBER 2013

WEDNESDAY



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COMPANIES HOUSE

LITTLE MONSTER FILMS LTD
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

J Murphy
J E Capps
H J Overman

Company secretary

J E Capps

Registered office

10 Orange Street
Haymarket
London
WC2H 7DQ

Auditor

Shipleys LLP
Chartered Accountants
& Statutory Auditor
10 Orange Street
Haymarket
London
WC2H 7DQ

LITTLE MONSTER FILMS LTD

DIRECTORS' REPORT

PERIOD FROM 16 JANUARY 2013 TO 30 SEPTEMBER 2013

The directors present their report and the financial statements of the company for the period from 16 January 2013 to 30 September 2013

INCORPORATION

The company was incorporated on 16 January 2013

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the period was the development and production of high end television programmes

During the year the company commenced production of the television series entitled 'Atlantis' The television series was incomplete at the period end but the directors anticipate formal completion and delivery in the forthcoming period

GOING CONCERN

The directors have undertaken a rigorous assessment of whether the company was a going concern when the accounts were prepared, considering all available information about the future, covering a period of 12 months from the date of the approval of the accounts

The directors are not aware of any material uncertainty arising from their assessment that would cast doubt on the company's ability to continue as a going concern

A detailed budget and cashflow have been prepared for the production and delivery of the television programme Funds to meet the cashflow requirements are contractually in place and the directors do not anticipate any material overspend The directors are therefore satisfied that the going concern assumption remains appropriate

RESULTS AND DIVIDENDS

The profit for the period amounted to £269,834 The directors have not recommended a dividend

FINANCIAL INSTRUMENTS

Details of the company's financial risk management objectives and policies are included in note 9 to the accounts

DIRECTORS

The directors who served the company during the period were as follows

J Murphy	(Appointed 16 January 2013)
J E Capps	(Appointed 16 January 2013)
H J Overman	(Appointed 16 January 2013)

POLICY ON THE PAYMENT OF CREDITORS

Trade creditors at the year end represented 12 days purchases

The Company does not follow any particular code or standard on payment of creditors The Company agrees the payment terms as part of the commercial arrangement negotiated with suppliers Payments are made on these terms provided the supplier meets its obligations

LITTLE MONSTER FILMS LTD

DIRECTORS' REPORT *(continued)*

PERIOD FROM 16 JANUARY 2013 TO 30 SEPTEMBER 2013

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 period. 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.

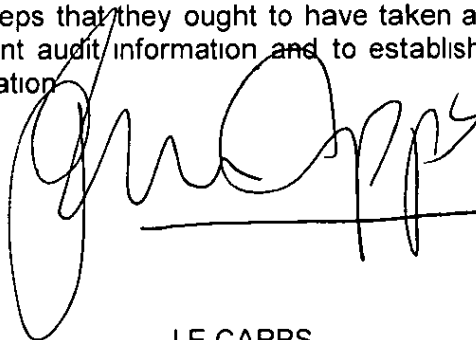
AUDITOR

Shipleys LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

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

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

Signed on behalf of the directors



J E CAPPS
Director

Approved by the directors on 13 December 2013

LITTLE MONSTER FILMS LTD

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LITTLE MONSTER FILMS LTD

PERIOD FROM 16 JANUARY 2013 TO 30 SEPTEMBER 2013

We have audited the financial statements of Little Monster Films Ltd for the period from 16 January 2013 to 30 September 2013 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement 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).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2013 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

LITTLE MONSTER FILMS LTD

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LITTLE MONSTER FILMS LTD *(continued)*

PERIOD FROM 16 JANUARY 2013 TO 30 SEPTEMBER 2013

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



STEPHEN JOBERNS (Senior
Statutory Auditor)
For and on behalf of
SHIPLEYS LLP
Chartered Accountants
& Statutory Auditor

10 Orange Street
Haymarket
London
WC2H 7DQ

13 December 2013

LITTLE MONSTER FILMS LTD
PROFIT AND LOSS ACCOUNT
PERIOD FROM 16 JANUARY 2013 TO 30 SEPTEMBER 2013

	Period from 16 Jan 13 to 30 Sep 13 £
TURNOVER	Note 3 12,306,040
Cost of sales	(14,768,137)
GROSS LOSS	<u>(2,462,097)</u>
 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	 <u>(2,462,097)</u>
Tax on loss on ordinary activities	6 2,731,931
 PROFIT FOR THE FINANCIAL PERIOD	 <u><u>269,834</u></u>

All of the activities of the company are classed as continuing

Statement of total recognised gains and losses

There are no recognised gains or losses other than the profit of £269,834 attributable to the shareholders for the period ended 30 September 2013

The notes on pages 9 to 15 form part of these financial statements

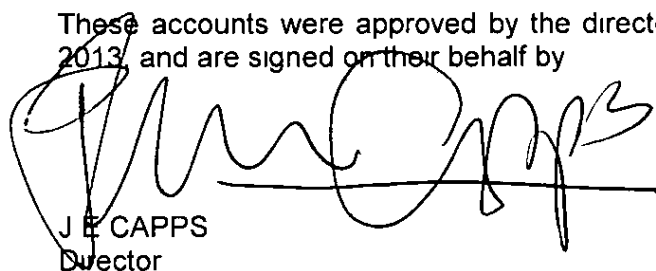
LITTLE MONSTER FILMS LTD

BALANCE SHEET

30 SEPTEMBER 2013

	Note	£	30 Sep 13 £
CURRENT ASSETS			
Debtors	7	4,165,088	
Cash at bank and in hand		<u>1,364,596</u>	
		5,529,684	
CREDITORS: Amounts falling due within one year	8	<u>(5,259,820)</u>	
NET CURRENT ASSETS			<u>269,864</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>269,864</u>
CAPITAL AND RESERVES			
Called-up equity share capital	13		30
Profit and loss account	14		<u>269,834</u>
SHAREHOLDERS' FUNDS	15		<u>269,864</u>

These accounts were approved by the directors and authorised for issue on 13 December 2013, and are signed on their behalf by



J E CAPPS
Director

Company Registration Number 08362582

The notes on pages 9 to 15 form part of these financial statements

LITTLE MONSTER FILMS LTD

CASH FLOW STATEMENT

PERIOD FROM 16 JANUARY 2013 TO 30 SEPTEMBER 2013

		Period from 16 Jan 13 to 30 Sep 13	
	Note	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	16		1,364,596
INCREASE IN CASH	16		<u>1,364,596</u>

The notes on pages 9 to 15 form part of these financial statements

LITTLE MONSTER FILMS LTD

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 16 JANUARY 2013 TO 30 SEPTEMBER 2013

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of financial instruments

Turnover

Turnover relates to the production of the TV series entitled 'Atlantis' It represents the value of the work done in the period, including estimates of amounts not invoiced and is stated after trade discounts, other taxes and net of VAT

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined Non-monetary items that are measured at historical cost in a foreign currency are not retranslated

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are taken to the profit and loss account Exchange differences arising on non-monetary items, carried at fair value, are included in the profit and loss account, except for the differences arising on the retranslation of non-monetary items in respect of which gains and losses are recorded in equity For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

Significant estimation techniques adopted

Accruals are estimated by reference to purchase orders raised at the period end Deferred income is estimated by reference to percentage of completion of the production, as noted in 'Turnover' above

Comparatives

The accounts cover the period from incorporation through to 30 September 2013, hence there are no comparative figures

LITTLE MONSTER FILMS LTD

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 16 JANUARY 2013 TO 30 SEPTEMBER 2013

2 AUDITOR'S REMUNERATION

A lump sum of £25,000 has been included in the agreed budget of the production to remunerate the auditor for the audit, the preparation of the statutory accounts, and the preparation of the corporation tax return in the current period. This amount will fall due in the forthcoming period, in advance of the projected final delivery of the production.

3. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	Period from 16 Jan 13 to 30 Sep 13 £
United Kingdom	<u>12,306,040</u>

4 OPERATING LOSS

Operating loss is stated after crediting:

	Period from 16 Jan 13 to 30 Sep 13 £
Directors' remuneration	<u>—</u>

5. PARTICULARS OF EMPLOYEES

The average number of persons employed by the company for production purposes during the period was 34. In common with film and television industry practice a large number of individuals working on the production were hired under short term self-employed contracts or via limited companies.

6. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the period

	Period from 16 Jan 13 to 30 Sep 13 £
Current tax	
UK Corporation tax based on the results for the period	<u>(2,731,931)</u>
Total current tax	<u>(2,731,931)</u>

LITTLE MONSTER FILMS LTD

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 16 JANUARY 2013 TO 30 SEPTEMBER 2013

6. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

	Period from 16 Jan 13 to 30 Sep 13 £
Loss on ordinary activities before taxation	<u>(2,462,097)</u>
Profit on ordinary activities by rate of tax	-
High-End Television Tax Credit	<u>(2,731,931)</u>
Total current tax (note 6(a))	<u>(2,731,931)</u>

7. DEBTORS

	30 Sep 13 £
Trade debtors	787,920
VAT recoverable	145,775
Corporation tax recoverable	2,731,931
Other debtors	499,432
Called up share capital not paid	30
	<u>4,165,088</u>

8. CREDITORS: Amounts falling due within one year

	30 Sep 13 £
Production Loan	3,142,612
Trade creditors	472,111
PAYE and social security	56,773
Other creditors	20,763
Accruals and deferred income	<u>1,567,561</u>
	<u>5,259,820</u>

The loan has been secured against the anticipated future high-end television tax credit

LITTLE MONSTER FILMS LTD

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 16 JANUARY 2013 TO 30 SEPTEMBER 2013

9. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise bank balances and trade debtors. The main purpose of these instruments is to raise funds for the Company's operations and to finance the Company's operations.

Due to the nature of the financial instruments used by the Company, there is no exposure to price risk. The Company's approach to managing other risks applicable to the financial instruments concerned is detailed below.

In respect of bank balances the liquidity risk is managed by maintaining a balance sufficient to meet the funds required for the Company's operations. The Company makes use of money market facilities where funds are available.

Trade debtors' credit risk is managed, where possible, by requiring payment in advance for work to be performed or by requiring collateral to be held in order to meet contractual obligations.

10. COMMITMENTS UNDER OPERATING LEASES

At 30 September 2013 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings
	£
Operating leases which expire	
Within 1 year	<u>450,000</u>

11. CONTINGENT LIABILITY

Charges have been made against the television production in favour of the following parties to secure their interests in the copyright of and title to the film -

Aver Media Finance

LITTLE MONSTER FILMS LTD

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 16 JANUARY 2013 TO 30 SEPTEMBER 2013

12 RELATED PARTY TRANSACTIONS

In the opinion of the directors the company is under no overall control

During the period, the following related-party transactions took place. All transactions related to the production of the television series "Atlantis" and arose on an arm's-length basis through the normal course of business.

During the period £120,000 was paid to Urban Myth Films Limited, a company in which J Murphy is a director, for executive producer fees.

During the period £120,000 was paid to Urban Myth Films Limited, a company in which J E Capps is a director, for executive producer fees.

During the period £391,298 was paid to Howard Overman Limited, a company controlled by H J Overman, for script writing fees.

During the period an advance of £150,000 was made to Urban Myth Films Limited, a company in which J Murphy, J E Capps and H J Overman are directors. In addition recoverable expenses of £49,814 were recharged to Urban Myth Films Limited and Urban Myth Films Limited charged production expenses of £85,910. As at period end £199,814 was due from Urban Myth Films Limited.

During the period Howard Overman Productions Limited, a company owned by H J Overman, charged production expenses of £161,532 and recoverable expenses of £137,000 were recharged to Howard Overman Productions Limited. As at period end £29,439 was due to Howard Overman Productions Limited.

No further transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

13. SHARE CAPITAL

Allotted and called up:

	No	£
Ordinary shares of £1 each	<u>30</u>	<u>30</u>

The amounts of paid up share capital for the following categories of shares differed from the called up share capital stated above due to unpaid calls and were as follows:

	30 Sep 13
	£
Ordinary shares	<u>30</u>

LITTLE MONSTER FILMS LTD

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 16 JANUARY 2013 TO 30 SEPTEMBER 2013

14. PROFIT AND LOSS ACCOUNT

	Period from 16 Jan 13 to 30 Sep 13 £
Profit for the financial period	269,834
Balance carried forward	<u>269,834</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30 Sep 13 £
Profit for the financial period	269,834
New ordinary share capital subscribed	30
Net addition to shareholders' funds	<u>269,864</u>
Closing shareholders' funds	<u>269,864</u>

16. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Period from 16 Jan 13 to 30 Sep 13 £
Operating loss	(2,462,097)
Increase in debtors	(1,433,127)
Increase in creditors	5,259,820
Net cash inflow from operating activities	<u>1,364,596</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	30 Sep 13 £
Increase in cash in the period	1,364,596
Movement in net funds in the period	<u>1,364,596</u>
Net funds at 16 January 2013	—
Net funds at 30 September 2013	<u>1,364,596</u>

LITTLE MONSTER FILMS LTD

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 16 JANUARY 2013 TO 30 SEPTEMBER 2013

16. NOTES TO THE CASH FLOW STATEMENT *(continued)*

ANALYSIS OF CHANGES IN NET FUNDS

	At 16 Jan 2013 £	Cash flows £	At 30 Sep 2013 £
Net cash			
Cash in hand and at bank	-	1,364,596	1,364,596
Debt			
Net funds	<u>-</u>	<u>1,364,596</u>	<u>1,364,596</u>