

Company Registration No. 09214931 (England and Wales)

OKKO DIGITAL ENTERTAINMENT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
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OKKO DIGITAL ENTERTAINMENT LIMITED

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OKKO DIGITAL ENTERTAINMENT LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016		2015	
		Rub'000	Rub'000	Rub'000	Rub'000
Fixed assets					
Intangible assets			-		275
Current assets					
Debtors	4	205,846		135,702	
Cash at bank and in hand		11,398		11,025	
		<u>217,244</u>		<u>146,727</u>	
Creditors: amounts falling due within one year	5	<u>(440,625)</u>		<u>(560,279)</u>	
Net current liabilities			(223,381)		(413,552)
Total assets less current liabilities			<u>(223,381)</u>		<u>(413,277)</u>
Capital and reserves					
Called up share capital	6		7		7
Share premium account			130,424		-
Other reserves			194,799		52,001
Profit and loss reserves			<u>(548,611)</u>		<u>(465,285)</u>
Total equity			<u>(223,381)</u>		<u>(413,277)</u>

The director of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and signed by the director and authorised for issue on 18 October 2017


E Morozova
Director

Company Registration No. 09214931

OKKO DIGITAL ENTERTAINMENT LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Share capital Rub'000	Share premium account Rub'000	Other reserves Rub'000	Profit and loss reserves Rub'000	Total Rub'000
Balance at 11 September 2014		-	-	-	-	-
Period ended 31 December 2015:						
Loss and total comprehensive income for the period		-	-	-	(465,285)	(465,285)
Issue of share capital	6	7	-	-	-	7
Other movements		-	-	52,001	-	52,001
Balance at 31 December 2015		7	-	52,001	(465,285)	(413,277)
Period ended 31 December 2016:						
Loss and total comprehensive income for the period		-	-	-	(83,326)	(83,326)
Issue of share capital	6	-	130,424	-	-	130,424
Other movements		-	-	142,798	-	142,798
Balance at 31 December 2016		7	130,424	194,799	(548,611)	(223,381)

OKKO DIGITAL ENTERTAINMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Okko Digital Entertainment Limited is a private company limited by shares incorporated in England and Wales. The registered office is 7th Floor, 9 Berkeley Street, London, W1J 8DW.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in Russian roubles, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest Rub'000. The exchange rate with UK£ at the period end was Rub75.1:UK£1 (2015: Rub109.92:UK£1).

The financial statements, which are those of Okko Digital Entertainment Limited as an individual entity, have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2016 are the first financial statements of Okko Digital Entertainment Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 11 September 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102. Certain comparative figures have been re-analysed to conform to FRS 102 disclosures.

The comparative period relates to the period from 11 September 2014 to 31 December 2015.

1.2 Going concern

The directors have made the decision post year-end to liquidate the company in the near future. It is their intention to transfer all contracts, assets and liabilities to other group companies. In the interim period the parent company has agreed to support the company in meeting its liabilities as they fall due. As such these accounts are prepared on a cessation basis. This decision has not affected the figures reported in the financial statements as the group will support the winding up of the company and meet any liabilities arising from that process.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

The company's main source of revenue is retail subscription revenue, namely subscriptions for TV internet streaming, and is recognised as the goods or services are provided, net of any discount given. Pay-per-view and transactional revenue is recognised when the event or movie is viewed.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

OKKO DIGITAL ENTERTAINMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Intangible fixed assets other than goodwill

Intangible assets are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Other intangible assets	over the licence period on a straight line basis
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1.5 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Debtors and creditors

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans and other debtors 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.

Creditors

Short term trade creditors and other current creditors payable on demand 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.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.9 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit or loss for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 1 (2015 - 1).

OKKO DIGITAL ENTERTAINMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

3 Intangible fixed assets

	Other intangible assets Rub'000
Cost	
At 1 January 2016 and 31 December 2016	300
Amortisation and impairment	
At 1 January 2016	25
Amortisation charged for the year	275
At 31 December 2016	300
Carrying amount	
At 31 December 2016	-
At 31 December 2015	275

4 Debtors

	2016 Rub'000	2015 Rub'000
Amounts falling due within one year:-		
Trade debtors	15,759	24,999
Amounts due from group undertakings	95,307	-
Other debtors	48,948	78,901
Prepayments and accrued income	45,832	5,402
	<u>205,846</u>	<u>109,302</u>
Amounts falling due after more than one year:		
Other debtors	-	26,400
	<u>-</u>	<u>26,400</u>
Total debtors	<u>205,846</u>	<u>135,702</u>

OKKO DIGITAL ENTERTAINMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

5 Creditors: amounts falling due within one year

	Notes	2016 Rub'000	2015 Rub'000
Trade creditors		123,637	209,198
Amounts due to group undertakings		211,627	-
Deferred income		11,493	-
Other creditors		93,868	351,081
		<u>440,625</u>	<u>560,279</u>

6 Called up share capital

	2016 Rub'000	2015 Rub'000
Ordinary share capital		
Issued and fully paid		
101 (2015: 100) Ordinary shares of £1 each	7	7
	<u>7</u>	<u>7</u>

1 Ordinary share of £1 was allotted during the period at a premium of £1,609,623 (Rub 130,423,600).

7 Events after the reporting date

Refer to note 1.2 for details of the intention for the future of the company.

8 Related party transactions

The company has taken advantage of the exemption from disclosing transactions with members within a wholly owned group.

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in the financial statements in note 1.2 concerning the intended cessation of trade in 2017 and subsequent winding up. The parent company has agreed to provide continued funding to ensure the company has sufficient funds to meet its liabilities as they fall due. The financial statements do not include any adjustments that might result from a failure to continue to obtain adequate finance during the cessation process.

The senior statutory auditor was Andrew Grieve FCA.

The auditor was Frank Hirth & Co. LLP.