

Curzon Film World Limited
(formerly The Artificial Eye Film Company Limited)

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2012

WEDNESDAY



L2GO50E8

LD2

11/09/2013

#73

COMPANIES HOUSE

Company Number 01243421

Curzon Film World Limited
(formerly The Artificial Eye Film Company Limited)
DIRECTORS AND OFFICERS

DIRECTORS

P Knatchbull
KC Marshall (resigned 19 July 2013)
RC Wingate

SECRETARY

LRJ Ferguson

REGISTERED OFFICE

2nd Floor
20-22 Stukeley Street
London
WC2B 5LR

COMPANY NUMBER

01243421

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Curzon Film World Limited

(formerly The Artificial Eye Film Company Limited)

DIRECTORS' REPORT

The directors present their report together with the audited financial statements for the year ended 31 December 2012. On 28 March 2013, the company changed its name from The Artificial Eye Film Company Limited to Curzon Film World Limited.

RESULTS

The profit and loss account is set out on page 6 and shows the profit for the year.

PRINCIPAL ACTIVITIES

The company's principal activity during the period continued to be the distribution of motion pictures and video marketing.

FUTURE DEVELOPMENTS

The company is engaged in the sale and distribution of films to cinemas, retail and TV stations in the UK and Ireland. The company plans to continue to develop the business with high quality, profitable films.

REVIEW OF BUSINESS

The profit and loss account is set out on page 6 and shows turnover for the year of £6,526,661 (2011 £7,531,736) and a net profit for the year before tax of £109,762 (2011 profit £273,158).

Turnover has decreased in 2012 compared to 2011 due to a decrease in theatrical income but the gross profit margin has increased from 49% in 2011 to 59% in 2012. Performance has continued to be steady in 2012, but may well be affected by events in the UK economy.

The directors do not recommend the payment of a dividend.

PRINCIPAL RISKS AND UNCERTAINTIES

The market for the sale and distribution of films remains highly competitive. The company seeks to acquire more profitable films than have been bought previously.

The company's business activities, together with the factors likely to affect its future development, performance and position are set out above. The company has adequate cash resources and funding together with a strong customer base. As a consequence, the Directors believe that the company is well placed to manage its business risks successfully.

The Directors have reviewed cash flow forecasts of the company and have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The company's credit risk is primarily attributable to its film company trade debtors. Credit risk is managed by running credit checks on new customers and by monitoring payments against contractual agreements.

The company monitors cash flow as part of its day to day control procedures. The Board considers cash flow projections in a monthly basis and ensures that appropriate facilities are available to be drawn upon as necessary.

KPI's

The key performance indicators of the company are as follows:

- Turnover decreased by 13.3%
- Gross profit margin for 2012 at 58.9% is an improvement compared to 48.6% in 2011
- The company returned a profit after tax of £135,244, compared to a £166,217 profit in 2011

Curzon Film World Limited
(formerly The Artificial Eye Film Company Limited)
DIRECTORS' REPORT

DIRECTORS

The directors of the company during the year were

P Knatchbull
KC Marshall (resigned 19 July 2013)
RC Wingate

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

Baker Tilly UK Audit LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

In preparing this directors' report advantage has been taken of the small companies' exemption.

By order of the board


LRJ Ferguson

Secretary

29/8/2013

Curzon Film World Limited

(formerly The Artificial Eye Film Company Limited)

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable 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 those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent,
- c 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 CURZON FILM WORLD LIMITED (formerly The Artificial Eye Film Company Limited)

We have audited the financial statements on pages 6 to 13. 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 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 more fully explained 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. 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 (APB'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 APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report.

Baker Tilly UK Audit LLP

DAVID BLACHER (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street

London EC4A 4AB

29/8/2013

Curzon Film World Limited
(formerly The Artificial Eye Film Company Limited)
PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2012

	<i>Notes</i>	2012 £	2011 £
TURNOVER	1	6,526,661	7,531,736
Cost of sales		(2,682,257)	(3,870,918)
GROSS PROFIT		3,844,404	3,660,818
Administrative expenses		(3,734,740)	(3,388,030)
OPERATING PROFIT	2	109,664	272,789
Other interest receivable and similar income		98	369
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		109,762	273,158
Taxation credit/(charge) on profit on ordinary activities	3	25,482	(106,941)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR		135,244	166,217

The profit for the year arises from the company's continuing operations

No separate statement of total recognised gains and losses has been presented as all such gains and losses have been dealt with in the Profit and Loss account

Curzon Film World Limited
(formerly the Artificial Eye Film Company Limited)

BALANCE SHEET

at 31 December 2012

Company number 01243421

	Notes	£	2012 £	£	2011 £
FIXED ASSETS					
Intangible assets	4		2,990,718		2,949,433
Tangible assets	5		84,342		136,717
			<u>3,075,060</u>		<u>3,086,150</u>
CURRENT ASSETS					
Stocks		142,457		127,016	
Debtors	6	3,566,892		2,598,816	
Cash at bank and in hand		1,207,753		35,840	
			<u>4,917,102</u>	<u>2,761,672</u>	
CREDITORS amounts falling due within one year	7	(5,578,886)		(3,569,790)	
NET CURRENT LIABILITIES			<u>(661,784)</u>		<u>(808,118)</u>
NET ASSETS			<u>2,413,276</u>		<u>2,278,032</u>
CAPITAL AND RESERVES					
Called up share capital	8		4		4
Profit and loss account	9		2,413,272		2,278,028
SHAREHOLDERS' FUNDS			<u>2,413,276</u>		<u>2,278,032</u>

The financial statements were approved by the board of directors and authorised for issue on 29/8/2013

P Knatchbull
Director

Curzon Film World Limited

(formerly The Artificial Eye Film Company Limited)

ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention

The following principal accounting policies have been applied

Cash flow statement

The Financial Reporting Standard for Smaller Entities (effective April 2008) does not require the preparation of a cash flow statement. Accordingly, the company has not prepared one

Film Library

The film library is a collection of films for which the company has acquired the rights of distribution. The company earns revenues from the royalties earned through sales for periods ranging up to fifteen years. On acquisition, the film library was valued using a discounted cash flow basis. Subsequently, the film library has not been revalued and is being carried at amortised cost in accordance with the provisions of FRS 10. Amortisation is provided to write off the cost or valuation, less estimated residual values, of the film rights evenly over their expected useful lives. It is calculated at the following rates:

Film Rights - 5 years straight line

The amortisation of the intangible asset commences from the cinema release date of the film

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for investment properties and freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Film prints - 50% reducing balance

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales, together with grants received

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

Current taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred.

Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account over the shorter of estimated useful economic life and the period of the lease.

Curzon Film World Limited
(formerly The Artificial Eye Film Company Limited)
ACCOUNTING POLICIES

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Grants

Grants received are recognised within turnover. Where receipt of a grant is dependent on the satisfaction of specific criteria, only when such conditions have been met is income recognised in the profit and loss account.

Going concern

The financial statements have been prepared on a going concern basis. The directors have reviewed cash flow forecasts for the next twelve months and are satisfied that the company will continue its operations for the foreseeable future. The company has adequate liquid resources to meet liabilities as they fall due.

Curzon Film World Limited
(formerly The Artificial Eye Film Company Limited)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012

1 TURNOVER

Turnover arises solely within the United Kingdom

2 OPERATING PROFIT	2012	2011
	£	£
This is arrived at after charging		
Depreciation of tangible fixed assets	84,343	136,718
Amortisation of intangible fixed assets	1,429,419	1,400,937
Grants received	447,861	803,129

Fees payable to Baker Tilly UK Audit LLP, the company's auditor, for services other than the statutory audit of the company are not disclosed in these financial statements since the consolidated financial statements of Trentnet Limited are required to disclose non-audit fees on a consolidated basis

The audit fee for this company has been borne by Curzon World Limited (formerly Curzon Artificial Eye Limited) in 2012 and 2011, and will not be recharged to this company

The company has no employees (2011 none)

The directors did not draw any remuneration from the company during the year (2011 £Nil)

3 TAXATION ON PROFIT ON ORDINARY ACTIVITIES	2012	2011
	£	£
UK corporation tax		
Current tax on profits for the year	-	85,135
(Credit)/charge in respect of prior periods	(47,041)	23,214
	<u>(47,041)</u>	<u>108,349</u>
Deferred tax		
Timing differences	21,559	(1,408)
Taxation on profit on ordinary activities	<u>(25,482)</u>	<u>106,941</u>

The company has recognised a deferred tax asset in 2012 and in 2011 in relation to capital allowances available in future years

The tax assessed for the year is higher than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below

	2012	2011
	£	£
Profit on ordinary activities before tax	109,762	273,158
Profit on ordinary activities at the standard rate of corporation tax in the UK of 24.5% (2011 26.5%)	26,892	72,387
Effect of		
Expenses not deductible for tax purposes	2,730	5,473
Depreciation in excess of capital allowances	3,029	7,275
Group relief	(32,651)	-
(Credit)/charge in respect of prior periods	(47,041)	23,214
	<u>(47,041)</u>	<u>108,349</u>

Curzon Film World Limited
(formerly The Artificial Eye Film Company Limited)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012

4	INTANGIBLE FIXED ASSETS		Film Rights £
	Cost		
	At 1 January 2012		8,469,802
	Additions		1,470,703
	At 31 December 2012		9,940,505
	Amortisation		
	At 1 January 2012		5,520,368
	Provided for the year		1,429,419
	At 31 December 2012		6,949,787
	Net book value		
	At 31 December 2012		2,990,718
	At 31 December 2011		2,949,433
5	TANGIBLE FIXED ASSETS		Film prints £
	Cost		
	At 1 January 2012		1,464,579
	Additions		31,968
	At 31 December 2012		1,496,547
	Depreciation		
	At 1 January 2012		1,327,863
	Provided for the year		84,342
	At 31 December 2012		1,412,205
	Net book value		
	At 31 December 2012		84,342
	At 31 December 2011		136,717
6	DEBTORS	2012 £	2011 £
	Trade debtors	323,099	533,295
	Amounts owed by group undertakings	1,166,302	65,870
	Deferred tax asset	53,520	75,079
	Other debtors and accrued income	2,023,971	1,924,572
		3,566,892	2,598,816

Curzon Film World Limited
(formerly The Artificial Eye Film Company Limited)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012

7	CREDITORS amounts falling due within one year	2012 £	2011 £
	Trade creditors	904,150	1,199,489
	Amounts owed to group undertakings	2,480,572	777,355
	Corporation tax	17,470	86,305
	Taxation and social security	110,490	189,556
	Other creditors and deferred income	2,066,204	1,317,085
		<u>5,578,886</u>	<u>3,569,790</u>
8	SHARE CAPITAL	2012 £	2011 £
	<i>Allotted, called up and fully paid</i> 4 ordinary shares of £1 each	4	4
9	RESERVES		Profit and loss account £
	At 1 January 2012		2,278,028
	Profit for the year		135,244
	At 31 December 2012		<u>2,413,272</u>
10	CONTINGENT LIABILITIES		
	The company has guaranteed bank borrowings within Curzon World Limited through a debenture over the company's assets. At the year end the liabilities covered by this guarantee totalled £101,274 (2011 £509,148)		
11	COMMITMENTS UNDER OPERATING LEASES		
	The company had annual commitments under non-cancellable operating leases as set out below		
		2012 £	2011 £
	Operating leases which expire In two to five years	60,000	60,000
12	CAPITAL COMMITMENTS	2012 £	2011 £
	Film library expenditure contracted for but not provided in the financial statements	454,059	811,459

Curzon Film World Limited
(formerly The Artificial Eye Film Company Limited)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012

13 RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption conferred by the FRS 8 not to disclose transactions with members of the group headed by Trentnet Limited on the grounds that 100% of the voting rights in the company are controlled within that group and the company is included within the consolidated financial statements

In the year Curzon Film World Ltd repaid loans to Curzon Film Rights Ltd, a related party by virtue of being a 40% subsidiary of Curzon Curzon Film World Limited which owns 100% of the share capital of Curzon Film World Ltd, leaving an amount of £542,870 (2011 £667,870)

14 ULTIMATE PARENT COMPANY AND PARENT UNDERTAKING OF LARGER GROUP

The smallest and largest group in which the results of the company are consolidated is that headed by Trentnet Limited, incorporated in England. The consolidated accounts are available to the public and may be obtained from Companies House

At 31 December 2012, in the opinion of the directors, there was no ultimate parent company

From 12 June 2013, Viltree Limited a company incorporated in the British Virgin Islands is the ultimate parent company