Curzon Film World Limited

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2016

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COMPANIES HOUSE

Company Registration No: 01243421 (England and Wales)

Curzon Film World Limited
COMPANY INFORMATION

DIRECTORS

P Knatchbull
RC Wingate

SECRETARY

LRJ Ferguson

REGISTERED OFFICE

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

COMPANY NUMBER

01243421

AUDITOR

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

Curzon Film World Limited
DIRECTORS' REPORT

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

RESULTS

The statement of income and retained earnings is set out on page 4 and shows the loss for the year.

PRINCIPAL ACTIVITIES

The company's principal activity during the year was the distribution of motion pictures and video marketing.

DIRECTORS

The following directors have held office since 1 January 2016:

P Knatchbull
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

RSM 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

13th September 2017

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:

a. select suitable accounting policies and then apply them consistently;

b. make judgements and accounting estimates that are reasonable and prudent;

c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

d. 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

Opinion on financial statements
We have audited the financial statements on pages 4 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at http://www.frc.org.uk/auditscopeukprivate

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 and, based on the work undertaken in the course of our audit, the Directors' Report has 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 company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

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.

Respective responsibilities of directors and auditor
As more fully explained in the Directors' Responsibilities Statement set out on page 2, 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.

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.

RSM UK Audit LLP

CHRISTOPHER TATE (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP
Chartered Accountants
25 Farringdon Street
London EC4A 4AB

13/9/2017

Curzon Film World Limited

STATEMENT OF INCOME AND RETAINED EARNINGS

for the year ended 31 December 2016

	Notes	2016 £	2015 £
TURNOVER	2	6,147,734	1,604,980
Cost of sales		(2,333,848)	(304,901)
GROSS PROFIT		3,813,886	1,300,079
Administrative expenses		(3,318,490)	(1,386,837)
OPERATING PROFIT/(LOSS)		495,396	(86,758)
Other Interest receivable and similar income		635	187
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	3	496,031	(86,571)
Taxation credit / (charge) on loss on ordinary activities	4	3,534	37,359
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR		499,565	(49,212)
RETAINED EARNINGS AT 1 JANUARY		3,051,562	3,100,774
RETAINED EARNINGS AT 31 DECEMBER		3,551,127	3,051,562

Curzon Film World Limited

STATEMENT OF FINANCIAL POSITION

As at 31 December 2016 Company registration no: 01243421

	Notes	£	2016 £	£	2015 £
FIXED ASSETS					
Intangible assets	5		2,443,571		1,643,832
Tangible assets	6		166,770		110,807
			2,610,341		1,754,639
CURRENT ASSETS					
Stocks		168,984		161,013	
Debtors	7	7,669,831		7,795,860	
Cash at bank and in hand		491,790		1,970,195	
		8,330,605		9,927,068	
CREDITORS: amounts falling due within one year	8	(7,389,815)		(8,630,141)	
NET CURRENT ASSETS			940,790		1,296,927
NET ASSETS			3,551,131		3,051,566
CAPITAL AND RESERVES					
Called up share capital	10		4		4
Profit and loss account	10		3,551,127		3,051,562
TOTAL EQUITY			3,551,131		3,051,566

The financial statements on pages 4 to 13 were approved by the board of directors and authorised for issue on 13.9.17 and are signed on its behalf by:

P Knatchbull
Director

Company information
Curzon Film World Limited ("the Company") is a limited company domiciled and incorporated in England.

The address of the Company's registered office and principal place of business is 2nd Floor, 20-22 Stukeley Street, London, WC2B 5LR.

The Company's principal activities and nature of the Company's operations are detailed in the Directors' Report.

Basis of accounting
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, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention.

The financial statements are presented in sterling which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest whole £1.

Reduced disclosures
In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements;

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

The financial statements of the Company are consolidated in the financial statements of Trentnet Limited. The consolidated financial statements of Trentnet Limited are available from Companies House.

Going concern
The financial statements have been prepared on a going concern basis as the company's parent undertaking, Trentnet Limited has expressed willingness to continue to offer financial support to the company so that it can meet its financial liabilities as they fall due, for not less than a period of twelve months from the date of approval of the financial statements.

Turnover
Turnover is recognised at the fair value of the consideration received or receivable for the exploitation of film and television rights to external customers in the ordinary nature of the business. Turnover is shown net of Value Added Tax.

Tangible fixed assets
Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses.

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets over their expected useful lives. It is calculated at the following rates:

Leasehold improvements	- Over the life of the lease
Fixtures and fittings	- Over 4 to 10 years straight line

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

Intangible fixed assets other than goodwill

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.

Intangible assets are amortised to profit or loss over the estimated useful economic life as follows:

Film rights - Over 6 years straight line

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

Impairment of fixed assets
An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Company estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

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.

At each reporting date, the Company assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss.

Reversals of impairment losses are also recognised in profit or loss.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential, i.e. benefits expected from use or sale of the stock.

Taxation
The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income or expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the Company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Operating leases
Operating lease rentals are charged to profit or loss on a straight line basis over the lease term.

Grant income
Grants received are recognised within turnover. While 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

Employee benefits
The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or are capitalised as an intangible fixed asset or a tangible fixed asset.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits - Defined contribution plans
For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

Financial assets
The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument.

Financial assets are classified into either basic or other financial assets. The classification depends on certain criteria determined at the time of recognition.

Basic financial assets
Basic financial assets, which include trade and other debtors, amounts owed by group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is initially measured at the present value of the future receipts discounted at a market rate of interest and subsequently held at amortised cost.

Other financial assets
Financial assets classified as other financial assets are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Financial liabilities
Financial liabilities are classified as either basic or other financial liabilities.

Basic financial liabilities
Basic financial liabilities, including trade and other payables and amounts owed by group undertakings, are initially measured at transaction price, unless the arrangement constitutes a financing transaction where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Other financial liabilities
Financial liabilities classified as other financial liabilities are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

Derecognition of financial liabilities
Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Amortisation and impairment of the film catalogue

In assessing the amortisation period and the need for impairment, management makes judgements as to the expected period in which the individual films will be generating income. This is based on the review of past and expected revenues.

2 TURNOVER

Turnover from the Company's principal activity arises solely within the United Kingdom.

3 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	2016	2015
	£	£
Profit on ordinary activities before taxation is stated after charging:		
Amortisation of intangible fixed assets	924,005	646,845
Depreciation of tangible fixed assets	166,771	102,629
Grants received	319,375	177,650

Fees payable to RSM 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 in 2016 and 2015, and will not be recharged to this company.

The directors did not draw any remuneration from the company during the year (2015: £Nil).

The average number of persons employed by the company was Nil (2015:Nil).

4 TAXATION

	2016 £	2015 £
Current tax		
UK corporation tax		
Charge for the year	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	(7,312)	(14,874)
Effect of change in tax rate on opening liability	3,778	5,905
Charge/(credit) in respect of prior periods	-	(28,390)
Total deferred tax	(3,534)	(37,359)
Total taxation on profit/(loss) on ordinary activities	(3,534)	(37,359)

The tax assessed for the year is lower than the standard rate of corporation tax in the UK applied to profit/(loss) before tax. The differences are explained below:

	2016 £	2015 £
Profit/(loss) on ordinary activities before tax	496,031	(86,571)
Profit/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 20% (2015: 20.25%)	99,206	(17,528)
Effect of:		
Expenses not deductible for tax purposes	3,662	-
Group relief	(111,471)	-
Change in tax rates	5,069	-
Other timing differences	-	8,559
Adjustments in respect of prior periods – deferred tax	-	(28,390)
Tax (credit)/expense	(3,534)	(37,359)

5 INTANGIBLE FIXED ASSETS

	Film Rights £	Website £	Total £
Cost			
At 1 January 2016	11,371,317	25,000	11,396,317
Additions	1,723,744	-	1,723,744
At 31 December 2016	13,095,061	25,000	13,120,061
Amortisation			
At 1 January 2016	9,747,485	5,000	9,752,485
Amortisation charged in the year	919,005	5,000	924,005
At 31 December 2016	10,666,490	10,000	10,676,490
Net book value			
At 31 December 2016	2,428,571	15,000	2,443,571
At 31 December 2015	674,638	1,206,423	1,643,832

6 TANGIBLE FIXED ASSETS

	Film Prints £
Cost	
At 1 January 2016	1,766,961
Additions	222,734
At 31 December 2016	1,989,695
Depreciation	
At 1 January 2016	1,656,154
Depreciation charged in the year	166,771
At 31 December 2016	1,822,925
Net book value	
At 31 December 2016	166,770
At 31 December 2015	110,807

7 DEBTORS

	2016 £	2015 £
Trade debtors	1,631,145	688,426
Amounts owed by group undertakings	3,089,218	4,061,007
Deferred tax asset (see note 9)	71,547	68,013
Other debtors and accrued income	2,877,921	2,978,414
	7,669,831	7,795,860

Amounts owed by group undertakings are unsecured, interest free and due on demand.

8 CREDITORS: amounts falling due within one year

	2016 £	2015 £
Trade creditors	522,903	304,938
Amounts owed to group undertakings	4,416,658	5,659,052
Corporation tax	17,470	17,470
Taxation and social security	362,751	223,991
Other creditors and accruals	2,070,033	2,424,690
	7,389,815	8,630,141

Amounts owed to group undertakings are unsecured, interest free and due on demand.

9 DEFERRED TAX ASSET

	Deferred taxation £
At 1 January 2016	68,013
Credited to profit and loss account	3,534
At 31 December 2016	71,547

The deferred taxation asset consists of the following:	2016 £	2015 £
Fixed asset differences	54,776	37,623
Tax losses	16,771	9,037
Other timing differences	-	21,353
	71,547	68,013

10 SHARE CAPITAL & RESERVES

	2016 £	2015 £
Allotted, issued and fully paid shares		
4 Ordinary shares of £1 each		
At 1 January and at 31 December	4	4

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

The reserves of the Company represent the following:

Profit and loss account
Cumulative profit and loss net of distributions to owners.

11 RELATED PARTY DISCLOSURES

In accordance with FRS 102 section 33 the financial statements do not disclose transactions with the parent company and fellow subsidiaries where 100% of the voting rights are controlled by the group.

12 ULTIMATE PARENT COMPANY AND PARENT UNDERTAKING OF LARGER GROUP

Curzon World Limited is the immediate parent company and its principal place of business is 2nd Floor, 20-22 Stukeley Street, London, WC2B 5LR.

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.

The ultimate parent company is Villtree Limited, a company incorporated in the British Virgin Islands.