Company Registration No. 05587621 (England and Wales)

Marv Films Limited

Annual report and financial statements for the period ended 10 April 2016



Marv Films Limited

Company information

Directors	Matthew De Vere Drummond Claudia De Vere Drummond
Secretary	Charles Filmer
Company number	05587621
Registered office	Coldham Hill, Stanningfield Bury St Edmunds England IP29 4SD
Independent auditors	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE

Marv Films Limited

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Marv Films Limited

Directors' report
For the period ended 10 April 2016

The directors present their annual report and financial statements for the period ended 10 April 2016.

Principal activities
The principal activity of the company continued to be the provision of film production services.

Directors
The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Matthew De Vere Drummond
Claudia De Vere Drummond

Results and dividends
The results for the period are set out on page 5.

Interim ordinary dividends were paid amounting to £900,000. Additionally, the directors have declared final dividends of £11,100,000.

Auditors
Saffery Champness LLP were appointed as auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities
The directors are responsible for preparing the annual 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.

Statement of disclosure to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

.....

Matthew De Vere Drummond

Director

24/4/17

Independent auditors' report
To the members of Marv Films Limited

We have audited the financial statements of Marv Films Limited for the period ended 10 April 2016 set out on pages 5 to 26. 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".

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 auditors' 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 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 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 10 April 2016 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 matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements, and 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 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; 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 and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

John Graydon (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

28/11/2017

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Marv Films Limited

Statement of comprehensive income
For the period ended 10 April 2016

	Notes	period ended 10 April 2016 £	year ended 30 June 2015 as restated £
Turnover		11,243,317	4,470,443
Cost of sales		(1,233,458)	(463,578)
Gross profit		10,009,859	4,006,865
Administrative expenses		(7,287,123)	(890,146)
Operating profit	2	2,722,736	3,116,719
Interest receivable and similar income	4	441	8,055
Interest payable and similar expenses		(21,171)	3,509
Profit before taxation		2,702,006	3,128,283
Taxation	5	(1,380,990)	(662,165)
Profit for the financial period		1,321,016	2,466,118
Total comprehensive income for the period		1,321,016	2,466,118

Marv Films Limited

Statement of financial position
As at 10 April 2016

	Notes	£	2016 £	£	2015 as restated £
Fixed assets					
Intangible assets	**7**		6,695,377		20,000
Tangible assets	**8**		144,816		109,961
Investments	**9**		204		100
			6,840,397		130,061
Current assets					
Debtors	**10**	18,734,825		27,074,757	
Cash at bank and in hand		13,952,595		1,545,213	
		32,687,420		28,619,970	
Creditors: amounts falling due within one year	**11**	(21,881,043)		(14,317,199)	
Net current assets			10,806,377		14,302,771
Total assets less current liabilities			17,646,774		14,432,832
Capital and reserves					
Called up share capital	**12**		13,892,928		2
Profit and loss reserves			3,753,846		14,432,830
Total equity			17,646,774		14,432,832

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

The financial statements were approved by the board of directors and authorised for issue on 24/11/17 and are signed on its behalf by:

Matthew De Vere Drummond
Director

Claudia De Vere Drummond
Director

Company Registration No. 05587621

Marv Films Limited

Statement of changes in equity
For the period ended 10 April 2016

	Notes	Share capital £	Profit and loss reserves £	Total £
As restated for the period ended 30 June 2015:				
Balance at 1 July 2014		2	11,966,712	11,966,714
Period ended 30 June 2015:				
Profit and total comprehensive income for the period		-	2,497,666	2,497,666
Effect of change in accounting policy			(31,548)	(31,548)
Balance at 30 June 2015		2	14,432,830	14,432,832
Period ended 10 April 2016:				
Profit and total comprehensive income for the period		-	1,321,016	1,321,016
Issue of share capital	12	13,892,926	-	13,892,926
Dividends		-	(12,000,000)	(12,000,000)
Balance at 10 April 2016		13,892,928	3,753,846	17,646,774

1 Accounting policies

Company information

Marv Films Limited is a private company limited by shares incorporated in England and Wales. The registered office is Coldham Hill, Stanningfield, Bury St Edmunds, England, IP29 4SD.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the period ended 10 April 2016 are the first financial statements of Marv Films 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 1 July 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 16.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

The company has a shortened its accounting period from 30 June 2016 to 10 April 2016 in order to achieve co-terminus year end with some of its subsidiaries.

1 Accounting policies (continued)

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and 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.

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.

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.

1.3 Intangible fixed assets - goodwill

Goodwill arising on the acquisition of trade and assets represents the excess of the fair value of the consideration over the fair value of the identifiable assets and liabilities acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are made up of film participation rights. They are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

1 Accounting policies (continued)

The participation rights are being amortised over their useful economic life.

1.5 Tangible fixed assets

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

Depreciation 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:

Plant and equipment	25% - 33% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1 Accounting policies (continued)

1.8 Cash and cash equivalents

Cash and cash equivalents 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.

1.9 Financial instruments

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 instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors, 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 measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1 Accounting policies (continued)

1.10 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.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 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 fixed assets.

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 Accounting policies (continued)

1.13 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 income statement for the period.

2 Operating profit

	2016	2015
	£	£
Operating profit for the period is stated after charging:		
Fees payable to the company's auditors for the audit of the company's financial statements	23,500	-

3 Employees

The average monthly number of persons (including directors) employed by the company during the period was 7 (2015 - 4).

4 Interest receivable and similar income

	2016	2015
	£	£
Interest receivable and similar income includes the following:		
Income from other fixed asset investments	-	3,004

5 Taxation

	2016	2015
	£	£
Current tax		
UK corporation tax on profits for the current period	1,380,990	662,165

5 Taxation (continued)

The actual charge for the period can be reconciled to the expected charge for the period based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Profit before taxation	2,702,006	3,128,283
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.75%)	540,401	649,119
Tax effect of expenses that are not deductible in determining taxable profit	17,338	9,916
Group relief	(625,336)	-
Permanent capital allowances in excess of depreciation	-	(3,416)
Adjust closing deferred tax to average rate of 20%	(879)	-
Deferred tax not recognised	5,956	-
Difference due to prior year adjustment	-	6,546
Fixed assets differences	1,443,510	-
Taxation charge for the period	1,380,990	662,165

6 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	2016 £	2015 £
In respect of:		
Goodwill	1,116,507	-
Participation rights	2,860,325	-

7 Intangible fixed assets

	Goodwill	Participation rights	Total
	£	£	£
Cost			
At 1 July 2015	-	2,730,586	2,730,586
Additions	1,116,507	12,776,419	13,892,926
At 10 April 2016	1,116,507	15,507,005	16,623,512
Amortisation and impairment			
At 1 July 2015	-	2,710,586	2,710,586
Amortisation charged for the period	-	3,240,717	3,240,717
Impairment losses	1,116,507	2,860,325	3,976,832
At 10 April 2016	1,116,507	8,811,628	9,928,135
Carrying amount			
At 10 April 2016	-	6,695,377	6,695,377
At 30 June 2015	-	20,000	20,000

More information on the impairment arising in the period is given in note 6.

8 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 July 2015	252,935
Additions	97,538
Disposals	(50,498)
At 10 April 2016	299,975
Depreciation and impairment	
At 1 July 2015	142,975
Depreciation charged in the period	41,378
Eliminated in respect of disposals	(29,194)
At 10 April 2016	155,159
Carrying amount	
At 10 April 2016	144,816
At 30 June 2015	109,961

9 Fixed asset investments

	2016	2015
	£	£
Investments	204	100

The investments in subsidiaries are recognised at cost which reflects the nominal value of their share capital.

9 Fixed asset investments (continued)

Movements in fixed asset investments

	Shares in group undertakings
	£
Cost or valuation	
At 1 July 2015	100
Additions	104
At 10 April 2016	204
Carrying amount	
At 10 April 2016	204
At 30 June 2015	100

10 Debtors

	2016	2015
Amounts falling due within one year:	£	£
Trade debtors	4,531	4,358
Amounts due from group undertakings	7,742,991	19,248,038
Other debtors	10,987,303	7,822,361
	18,734,825	27,074,757

11 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	481,451	193,333
Corporation tax	1,375,104	2,112,417
Other taxation and social security	1,623,251	19,110
Other creditors	18,401,237	11,992,339
	21,881,043	14,317,199

12 Called up share capital

	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
13,892,928 Ordinary shares of £1 each	13,892,928	2

13 Financial commitments, guarantees and contingent liabilitites

Mufg Union Bank, N.A. holds a fixed charge and a negative pledge over the assets of the company, in respect of a loan issued by Mufg Union Bank, N.A. to a group company, Marv Bespoke Holdings Limited.

14 Parent company

The company's ultimate controlling parties are M de Vere Drummond and C de Vere Drummond

15 Related parties transactions

As at the balance sheet date the directors, Claudia de Vere Drummond and Matthew de Vere Drummond, are owed £5,515,738 (2015: £NiL) and £5,523,812 (2015: £8,074) respectively by the company.

As at the balance sheet date the balance owed by Kick Ass 2 Limited, a wholly owned subsidiary of Marv Films Limited, was £243,507 (2015: £243,507).

As at the balance sheet date the balance owed by Kick Ass Limited , a company controlled by Matthew de Vere Drummond, was £72,779 (2015: £21,382). During the year further £51,397 of contingent compensation related to the current period end was accrued.

As at the balance sheet date the balance owed by Marv Eagle Productions Limited, a wholly owned subsidiary of Marv Films Limited, was £5,191,727 (2015: £7,592,654). Included in the balance is the loan issued to Marv Eagle Productions Limited of £3,777,700 (2015: £5,908,546). During the year Marv Films Limited received £2,329,921 of loan repayment from Marv Eagle Productions Limited and recognised foreign exchange of £199,075 on the loan. Marv Films received £707,014 related to income from provision of production services and invoiced further £255,742. Additionally £6,359 was recharged by Marv Films Limited for rights option deposit. £187,550 of foreign exchange profit was also recognised in relation to the income.

As at the balance sheet date the balance owed by Marv Eddie Limited, a wholly owned subsidiary of Marv Films Limited, was £Nil (2015: £11,411,777). Included in the balance was a loan issued of £Nil (2015: £11,411,777). During the year Marv Films Limited issued further loans totalling £10,205,717 to Marv Eddie Limited. Marv Eddie Limited then fully repaid the loan balance of £21,617,494.

As at the balance sheet date the amount owed by Marv Bespoke Productions Limited, a wholly owned subsidiary of Marv Films Limited, was £2,307,760 (2015: £Nil). Included in the balance is the loan issued to Marv Bespoke Productions Limited of £1,247,341 (2015: £Nil). During the year Marv Films Limited issued a loan of £13,217,454 to Marv Bespoke Productions Limited and received loan repayments totalling £11,970,113 from Marv Bespoke Productions Limited. Additionally, £1,060,520 was invoiced by Marv Films Limited for the provision of director's services.

As at the balance sheet date the balance owed by Cloudy Productions Limited, a company controlled by Matthew de Vere Drummond, was £6,113 (2015: £6,113).

15 Related parties transactions (continued)

As at the balance sheet date the balance owed by Marv Outfit Productions Limited, a company controlled by Matthew de Vere Drummond, was £7,244,895 (2015: £5,053,576). Included in the balance is the loan issued to Marv Outfit Productions Limited of £2,909,480 (2015: £2,833,671). During the year £7,011,964.52 of contingent compensation became due from Marv Outfit Productions Limited by virtue of services provided on film production and there was a foreign exchange adjustment in respect of these amounts of £236,560. Further foreign exchange adjustments of £75,808 related to the loan were also recognised. During the year Marv Films received £464,388 of the contingent compensation amounts and a further £4,668,625 of the contingent compensation due to Marv Films was offset against the balance due to Marv Outfit Holdings Limited by Marv Films Limited.

As at the balance sheet date the balance owed by MACL International SARL, a company controlled by Claudia de Vere Drummond, was £93,517 (2015: £Nil). During the year Marv Films Limited recharged services of £69,295 to MACL International SARL and made sales of £24,222 to MACL International SARL.

As at the balance sheet date the balance owed to Shot LLC, a company controlled by Matthew de Vere Drummond, was £229,411 (2015: £229,411).

As at the balance sheet date the balance owed by 51 Red Balloons Limited, a company controlled by Matthew de Vere Drummond, was £63,650 (2015: £Nil). During the year Marv Films Limited provided promotional services of £63,650 to 51 Red Balloons Limited.

As at the balance sheet date the balance owed to Ska Films Limited, a company controlled by Matthew de Vere Drummond, was £532 (2015: £532).

As at the balance sheet date the balance owed to Marv Outfit Holdings Limited , a company controlled by Matthew de Vere Drummond, was £6,006,918 (2015: £Nil). Included in the balance is the loan issued by Marv Outfit Holdings Limited of £10,675,543 (2015: £Nil). This loan issued during the year of £10,675,543 by Marv Outfit Holdings Limited to Marv Films Limited was partly offset by amount owed by Marv Outfit Productions Limited for production services provided by Marv Films Limited of £4,668,625.

At the balance sheet date the balance owed by Blue Boar Partners LLP, partnership under common ownership of Matthew de Vere Drummond, was £410,822 (2015: £2,616,405). During the year Marv Films Limited received £2,575,154 related to its profit share in Blue Boar Partners LLP. Blue Boar Partners LLP recharged £369,571 of costs to Marv Films Limited.

At the balance sheet date the balance owed by Brewer Finance Limited, a company under common ownership of Claudia de Vere Drummond, was £79,034 (2015: £Nil). During the year Marv Films Limited assigned £79,034 of intellectual property rights to Brewer Finance Limited.

16 Reconciliations on adoption of FRS 102

Reconciliation of equity

	1 July 2014 £	30 June 2015 £
Equity as reported under previous UK GAAP and under FRS 102	11,966,714	14,464,380
Adjustments to prior period (note 17)	-	(31,548)
As restated	11,966,714	14,432,832

Reconciliation of profit for the financial period

	2015 £
Profit as reported under previous UK GAAP and under FRS 102	2,497,666
Adjustments to prior period (note 17)	(31,548)
As restated	2,466,118

16 Reconciliations on adoption of FRS 102 (continued)

Reconciliation of equity

		At 1 July 2014			At 30 June 2015			
	Notes	Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Prior year adjustment £	Effect of transition £	FRS 102 £
Fixed assets								
Other intangibles		-	-	-	20,000	-	-	20,000
Tangible assets		129,344	-	129,344	109,961	-	-	109,961
Investments		100	-	100	100	-	-	100
		129,444	-	129,444	130,061	-	-	130,061
Current assets								
Debtors		9,393,270	-	9,393,270	27,260,005	(185,248)	-	27,074,757
Bank and cash		9,424,967	-	9,424,967	1,545,213	-	-	1,545,213
		18,818,237	-	18,818,237	28,805,218	(185,248)	-	28,619,970

16 Reconciliations on adoption of FRS 102

	Notes	At 1 July 2014 Previous UK GAAP £	Effect of transition £	FRS 102 £	At 30 June 2015 Previous UK GAAP £	Prior year adjustment £	Effect of transition £	FRS 102 £ (continued)
Creditors due within one year								
Loans and overdrafts		(34,472)	-	(34,472)	(11,344,209)	-	-	(11,344,209)
Taxation		(1,878,259)	-	(1,878,259)	(2,131,527)	-	-	(2,131,527)
Other creditors		(5,068,236)	-	(5,068,236)	(995,163)	153,700	-	(841,463)
		(6,980,967)	-	(6,980,967)	(14,470,899)	153,700	-	(14,317,199)
Net current assets		11,837,270	-	11,837,270	14,334,319	(31,548)	-	14,302,771
Total assets less current liabilities		11,966,714	-	11,966,714	14,464,380	(31,548)	-	14,432,832
Net assets		11,966,714	-	11,966,714	14,464,380	(31,548)	-	14,432,832
Capital and reserves								
Share capital		2	-	2	2	-	-	2
Profit and loss		11,966,712	-	11,966,712	14,464,378	(31,548)	-	14,432,830
Total equity		11,966,714	-	11,966,714	14,464,380	(31,548)	-	14,432,832

Reconciliation of profit for the financial period

	Notes	Period ended 30 June 2015 Previous UK GAAP £	Prior year adjustment £	Effect of transition £	FRS 102 £
Turnover		4,350,100	-	120,343	4,470,443
Cost of sales		(496,935)	153,700	(120,343)	(463,578)
Gross profit		3,853,165	153,700	-	4,006,865
Administrative expenses		(890,146)	-	-	(890,146)
Income from other fixed asset investments		3,004	-	-	3,004
Interest receivable and similar income		190,299	(185,248)	-	5,051
Interest payable and similar expenses		3,509	-	-	3,509
Profit before taxation		3,159,831	(31,548)	-	3,128,283
Taxation		(662,165)	-	-	(662,165)
Profit for the financial period		2,497,666	(31,548)	-	2,466,118

Notes to reconciliations on adoption of FRS 102

17 Prior period adjustment

There are two prior year adjustments:

The first prior year adjustment is related to interest receivable on the loan made to Marv Eagle Productions Limited. Marv Films Limited obtained a loan from Coutts & Co on behalf of Marv Eagle Productions Limited. £185,247 was originally accrued as interest receivable from Marv Eagle Productions Limited. As it is now apparent that Marv Films Limited has no commercial benefit from the loan arrangements, the costs of the loan should be transferred directly to the inter-company with Marv Eagle Productions Limited, and neither interest receivable or interest payable should be recognised in the accounts in respect of this loan. The financial statements have therefore been adjusted to show the correct level of interest receivable and the correct intercompany balance with Marv Eagle Productions Limited.

The second prior year adjustment is due to overstating cost of sales by £153,700. Costs of sales are made up primarily of agents' commissions which are calculated as a percentage of income. The percentages can vary for each production and income stream. Incorrect percentages were used to calculate the agent's commission on contingent compensation for one of the productions in the prior year and therefore this error has now been adjusted for.

17 Prior period adjustment (continued)

Changes to the statement of financial position

Balances as restated before FRS 102 transition adjustments:	At 30 June 2015 As previously reported	Adjustment	As restated
	£	£	£
Current assets			
Debtors due within one year	27,260,005	(185,248)	27,074,757
Creditors due within one year			
Other creditors	(995,163)	153,700	(841,463)
Net assets	14,464,380	(31,548)	14,432,832
Capital and reserves			
Profit and loss	14,464,378	(31,548)	14,432,830

Changes to the income statement

Balances as restated before FRS 102 transition adjustments:	Period ended 30 June 2015 As previously reported	Adjustment	As restated
	£	£	£
Cost of sales	(496,935)	153,700	(343,235)
Interest receivable and similar income	190,299	(185,248)	5,051
Profit for the financial period	2,497,666	(31,548)	2,466,118