

REGISTERED NUMBER: 08474721 (England and Wales)

**Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
for the Year Ended 30th June 2016
for
Echo Studios Holdings Limited**

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for the Year Ended 30th June 2016**

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Echo Studios Holdings Limited
Company Information
for the Year Ended 30th June 2016

DIRECTORS:

F H Cardwell
Mrs P C Cardwell
M D Cardwell

REGISTERED OFFICE:

Sovereign House
155 High Street
Aldershot
Hampshire
GU11 1TT

REGISTERED NUMBER:

08474721 (England and Wales)

AUDITORS:

Whiteleys
Chartered Certified Accountants
& Statutory Auditor
Sovereign House
155 High Street
Aldershot
Hampshire
GU11 1TT

**Group Strategic Report
for the Year Ended 30th June 2016**

The directors present their strategic report of the company and the group for the year ended 30th June 2016.

REVIEW OF BUSINESS

The Company's principal activity continues to be that of a group holding company.

RESULTS AND PERFORMANCE

The results of the Group for the year, as set out on pages 7 to 31 show a profit on ordinary activities before taxation of £2,191,951 (2015 : Profit of £937,790). The shareholders' funds of the Group total £4,191,879 (2015 : £6,785,099).

The directors consider the results for the year ended 30 June 2016 are very satisfactory and reflect the strength of the subsidiary company, Echo Studios Limited. The revenue is represented by studio art-working, design and printing.

BUSINESS ENVIRONMENT

The design and print industry in which the subsidiary operates remains highly competitive, the Group's target markets however, continue to prove robust in a challenging global economy. The impact of technology has been significant and the Group has continued to keep pace with new developments and invested in new technology.

STRATEGY

The Group's success has been and will continue to depend on being able to provide the best quality product by taking advantage of the most up to date equipment and technologies as well as the careful strategic targeting of new business.

The Group will continue to consolidate its position and concentrate its efforts on achieving maximum growth in its existing market segments.

KEY PERFORMANCE INDICATORS (KPI'S)

We have made significant progress throughout the year in relation to key elements of our strategy. The Board monitors the progress of the Group by reference to the following KPIs:

2016 (2015)

Group Net Revenue **£9.557m** (£7.493m)

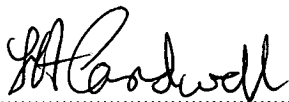
Gross margin **71%** (67%)

PRINCIPAL RISKS AND UNCERTAINTIES

The process of risk acceptance and risk management is addressed through robust internal policies, procedures and controls.

The board manages our cash and working capital to ensure the Company has the financial strength to meet its requirements and support the growth of the business.

ON BEHALF OF THE BOARD:



F H Cardwell - Director

Date: 21.3.2017

**Report of the Directors
for the Year Ended 30th June 2016**

The directors present their report with the financial statements of the company and the group for the year ended 30th June 2016.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of computerised photographic design and printing.

DIVIDENDS

No dividends will be distributed for the year ended 30th June 2016.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st July 2015 to the date of this report.

F H Cardwell
Mrs P C Cardwell
M D Cardwell

GOING CONCERN

No material uncertainties that may cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the group and of the profit or loss of the group 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**Report of the Directors
for the Year Ended 30th June 2016**

AUDITORS

The auditors, Whiteleys, are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

ON BEHALF OF THE BOARD:



.....
F H Cardwell - Director

Date: 21.3.2017.....

Report of the Independent Auditors to the Members of Echo Studios Holdings Limited

We have audited the financial statements of Echo Studios Holdings Limited for the year ended 30th June 2016 on pages seven to twenty nine. 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 Financial Reporting Standard 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page three, 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 group's and the parent 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 Group Strategic Report and the Report of the Directors 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 group's and of the parent company's affairs as at 30th June 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of
Echo Studios Holdings Limited**

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

P T Whiteley (Senior Statutory Auditor)
for and on behalf of Whiteleys
Chartered Certified Accountants
& Statutory Auditor
Sovereign House
155 High Street
Aldershot
Hampshire
GU11 1TT

Date: 23.03.2017

Echo Studios Holdings Limited (Registered number: 08474721)

Consolidated Statement of Comprehensive Income
for the Year Ended 30th June 2016

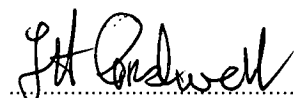
	Notes	2016 £	2015 £
TURNOVER		9,556,589	7,493,241
Cost of sales		2,721,783	2,464,966
GROSS PROFIT		6,834,806	5,028,275
Administrative expenses		4,646,732	4,242,499
		2,188,074	785,776
Other operating income		12,700	193,052
OPERATING PROFIT	4	2,200,774	978,828
Interest receivable and similar income		2,430	1,210
		2,203,204	980,038
Amounts written off investments	5	3,600	-
		2,199,604	980,038
Interest payable and similar expenses	6	7,653	42,248
PROFIT BEFORE TAXATION		2,191,951	937,790
Tax on profit	7	537,681	274,410
PROFIT FOR THE FINANCIAL YEAR		1,654,270	663,380
OTHER COMPREHENSIVE INCOME			
Capital contribution-restatement of DLA		552,510	-
Income tax relating to other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		552,510	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,206,780	663,380
Profit attributable to: Owners of the parent		1,654,270	663,380
Total comprehensive income attributable to: Owners of the parent		2,206,780	663,380

The notes on pages 14 to 26 form part of these financial statements

Consolidated Balance Sheet
30th June 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Intangible assets	9	3,651,442	4,107,872
Tangible assets	10	2,703,968	2,523,459
Investments	11	80,000	-
Investment property	12	-	-
		<u>6,435,410</u>	<u>6,631,331</u>
CURRENT ASSETS			
Stocks	13	114,641	89,262
Debtors	14	1,997,936	1,984,351
Cash at bank and in hand		2,778,054	680,567
		<u>4,890,631</u>	<u>2,754,180</u>
CREDITORS			
Amounts falling due within one year	15	<u>3,424,440</u>	<u>1,452,785</u>
NET CURRENT ASSETS		<u>1,466,191</u>	<u>1,301,395</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,901,601</u>	<u>7,932,726</u>
CREDITORS			
Amounts falling due after more than one year	16	(3,540,991)	(1,005,542)
PROVISIONS FOR LIABILITIES	19	<u>(168,731)</u>	<u>(142,085)</u>
NET ASSETS		<u><u>4,191,879</u></u>	<u><u>6,785,099</u></u>
CAPITAL AND RESERVES			
Called up share capital	20	1,000,000	5,800,000
Capital redemption reserve	21	1,800,000	800,000
Other reserves	21	552,510	-
Retained earnings	21	839,369	185,099
SHAREHOLDERS' FUNDS		<u><u>4,191,879</u></u>	<u><u>6,785,099</u></u>

The financial statements were approved by the Board of Directors on 21.3.2017 and were signed on its behalf by:



F H Cardwell - Director

The notes on pages 14 to 26 form part of these financial statements

Company Balance Sheet
30th June 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Intangible assets	9	-	-
Tangible assets	10	993,699	808,166
Investments	11	5,880,000	5,800,000
Investment property	12	1,385,765	1,385,765
		<u>8,259,464</u>	<u>7,993,931</u>
CURRENT ASSETS			
Debtors	14	10,783	52,805
Cash at bank		1,377,674	72,373
		<u>1,388,457</u>	<u>125,178</u>
CREDITORS			
Amounts falling due within one year	15	1,700,849	142,334
NET CURRENT LIABILITIES		<u>(312,392)</u>	<u>(17,156)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,947,072</u>	<u>7,976,775</u>
CREDITORS			
Amounts falling due after more than one year	16	(3,464,858)	(1,000,000)
PROVISIONS FOR LIABILITIES	19	<u>(130,393)</u>	<u>(110,442)</u>
NET ASSETS		<u><u>4,351,821</u></u>	<u><u>6,866,333</u></u>
CAPITAL AND RESERVES			
Called up share capital	20	1,000,000	5,800,000
Capital redemption reserve	21	1,800,000	800,000
Other reserves	21	552,510	-
Retained earnings	21	999,311	266,333
SHAREHOLDERS' FUNDS		<u><u>4,351,821</u></u>	<u><u>6,866,333</u></u>
Company's profit for the financial year		<u><u>1,732,978</u></u>	<u><u>495,402</u></u>

The financial statements were approved by the Board of Directors on 31.3.2017 and were signed on its behalf by:



F H Cardwell - Director

The notes on pages 14 to 26 form part of these financial statements

Echo Studios Holdings Limited (Registered number: 08474721)

**Consolidated Statement of Changes in Equity
for the Year Ended 30th June 2016**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Other reserves £	Total equity £
Balance at 1st July 2014	5,800,000	(178,281)	500,000	-	6,121,719
Changes in equity					
Total comprehensive income	-	363,380	300,000	-	663,380
Balance at 30th June 2015	<u>5,800,000</u>	<u>185,099</u>	<u>800,000</u>	<u>-</u>	<u>6,785,099</u>
Changes in equity					
Issue of share capital	(4,800,000)	-	-	-	(4,800,000)
Total comprehensive income	-	654,270	1,000,000	552,510	2,206,780
Balance at 30th June 2016	<u><u>1,000,000</u></u>	<u><u>839,369</u></u>	<u><u>1,800,000</u></u>	<u><u>552,510</u></u>	<u><u>4,191,879</u></u>

The notes on pages 14 to 26 form part of these financial statements

**Company Statement of Changes in Equity
for the Year Ended 30th June 2016**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Other reserves £	Total equity £
Balance at 1st July 2014	5,800,000	70,931	500,000	-	6,370,931
Changes in equity					
Total comprehensive income	-	195,402	300,000	-	495,402
Balance at 30th June 2015	5,800,000	266,333	800,000	-	6,866,333
Changes in equity					
Issue of share capital	(4,800,000)	-	-	-	(4,800,000)
Total comprehensive income	-	732,978	1,000,000	552,510	2,285,488
Balance at 30th June 2016	1,000,000	999,311	1,800,000	552,510	4,351,821

The notes on pages 14 to 26 form part of these financial statements

**Consolidated Cash Flow Statement
for the Year Ended 30th June 2016**

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	1	8,221,597	1,399,145
Interest paid		(2,045)	(19,848)
Interest element of hire purchase payments paid		(604)	(10,957)
Finance costs paid		(5,004)	(11,443)
Tax paid		(429,960)	(325,431)
Net cash from operating activities		7,783,984	1,031,466
Cash flows from investing activities			
Purchase of tangible fixed assets		(551,064)	(596,729)
Purchase of fixed asset investments		(83,600)	-
Sale of tangible fixed assets		26,800	1,079,941
Revaluation of fixed asset investment		3,600	-
Interest received		2,430	1,210
Net cash from investing activities		(601,834)	484,422
Cash flows from financing activities			
Loan repayments in year		-	(662,140)
Preference share repayments		(1,000,000)	(300,000)
Capital repayments in year		80,431	6,661
Amount introduced by directors		2,969	-
Amount withdrawn by directors		(1)	1,922
Share buyback		(4,800,000)	-
Net cash from financing activities		(5,716,601)	(953,557)
Increase in cash and cash equivalents		1,465,549	562,331
Cash and cash equivalents at beginning of year	2	680,567	118,236
Cash and cash equivalents at end of year	2	2,146,116	680,567

The notes on pages 14 to 26 form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 30th June 2016

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2016 £	2015 £
Profit before taxation	2,191,951	937,790
Depreciation charges	774,649	779,081
Loss on disposal of fixed assets	25,536	53,024
Capital contribution-restatement of DLA	552,510	-
Finance costs	7,653	42,248
Finance income	(2,430)	(1,210)
	<u>3,549,869</u>	<u>1,810,933</u>
(Increase)/decrease in stocks	(25,379)	24,283
Increase in trade and other debtors	(16,554)	(305,386)
Increase/(decrease) in trade and other creditors	<u>4,713,661</u>	<u>(130,685)</u>
Cash generated from operations	<u><u>8,221,597</u></u>	<u><u>1,399,145</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Consolidated Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30th June 2016

	30.6.16 £	1.7.15 £
Cash and cash equivalents	2,778,054	680,567
Bank overdrafts	(631,938)	-
	<u><u>2,146,116</u></u>	<u><u>680,567</u></u>

Year ended 30th June 2015

	30.6.15 £	1.7.14 £
Cash and cash equivalents	680,567	483,440
Bank overdrafts	-	(365,204)
	<u><u>680,567</u></u>	<u><u>118,236</u></u>

The notes on pages 14 to 26 form part of these financial statements

**Notes to the Consolidated Financial Statements
for the Year Ended 30th June 2016**

1. STATUTORY INFORMATION

Echo Studios Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for management charges and rental income, stated net of Value Added Tax.

The company recognises revenue when the amount of revenue can be measured reliably, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the company's activities described above.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2013, is being amortised in accordance with FRS102 evenly over 10 years from the transition date of 1st June 2015.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost
Plant and machinery	- 15% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost and 25% on reducing balance
Computer equipment	- 15% on cost

Tangible fixed assets are carried at cost less accumulated depreciation and accumulated impairment losses.

On disposal, the difference between the net disposal proceeds and the carrying amount of the item sold is recognised in profit or loss.

Stocks

Inventories are measured at the lower of cost and selling price less cost to complete and sell. Cost is calculated on a first in, first out basis and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30th June 2016**

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Debt instruments like loans and other accounts receivable and payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method; Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value, like goodwill and plant, property and equipment, are reviewed to determine whether there is an indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount of any asset or group of related assets, which is the higher of value in use and the fair value less cost to sell, is estimated and compared with its carrying amount. If the recoverable amount is lower, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in profit or loss.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30th June 2016

2. ACCOUNTING POLICIES - continued

Income tax

Taxation expense represents the aggregate amount of current tax and deferred tax recognised in the reporting period.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years.

A deferred tax asset or liability is recognised for tax recoverable or payable in future periods in respect of transactions and events recognised in the financial statements of current and previous periods.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. Timing differences result from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date apart from certain exceptions. Unrelieved tax losses and other deferred tax assets are only 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.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing differences. deferred tax relating to land and investment properties that is measured at fair value is measured using the tax rates and allowances that apply to the sale of the asset.

3. EMPLOYEES AND DIRECTORS

	2016 £	2015 £
Wages and salaries	2,640,705	2,162,252
Social security costs	322,575	245,683
Other pension costs	23,038	5,100
	<u>2,986,318</u>	<u>2,413,035</u>

The average monthly number of employees during the year was as follows:

	2016	2015
Office and administration	7	7
Production and design	71	52
	<u>78</u>	<u>59</u>

The average number of employees by undertakings that are proportionately consolidated during the year was 78.

	2016 £	2015 £
Directors' remuneration	557,214	463,738
Directors' pension contributions to money purchase schemes	<u>2,655</u>	<u>3,600</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30th June 2016

3. **EMPLOYEES AND DIRECTORS - continued**

Information regarding the highest paid director is as follows:

	2016	2015
	£	£
Emoluments etc	85,652	76,581
Pension contributions to money purchase schemes	2,655	3,600
	<u> </u>	<u> </u>

4. **OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2016	2015
	£	£
Depreciation - owned assets	316,522	321,681
Depreciation - assets on hire purchase contracts	1,697	970
Loss on disposal of fixed assets	25,536	53,024
Goodwill amortisation	456,430	456,430
Auditors remuneration - audit	10,795	12,750
Auditors remuneration - other	7,687	6,480
Foreign exchange differences	(4,903)	10,627
	<u> </u>	<u> </u>

5. **AMOUNTS WRITTEN OFF INVESTMENTS**

	2016	2015
	£	£
Amounts written off investments	3,600	-
	<u> </u>	<u> </u>

6. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2016	2015
	£	£
Bank loan interest	-	18,332
HMRC interest payable	2,045	1,516
Hire purchase & loan interest	604	10,957
Finance charges on shares	5,004	11,443
	<u> </u>	<u> </u>
	7,653	42,248
	<u> </u>	<u> </u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30th June 2016

7. **TAXATION**

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2016 £	2015 £
Current tax:		
UK corporation tax	511,035	263,634
Over provision in prior year	-	(62,819)
Total current tax	511,035	200,815
Deferred tax	26,646	73,595
Tax on profit	537,681	274,410

Tax effects relating to effects of other comprehensive income

	Gross £	2016 Tax £	Net £
Capital contribution-restatement of DLA	552,510	-	552,510
	552,510	-	552,510

8. **INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

9. **INTANGIBLE FIXED ASSETS**

Group

	Goodwill £
COST	
At 1st July 2015 and 30th June 2016	4,804,528
AMORTISATION	
At 1st July 2015	696,656
Amortisation for year	456,430
At 30th June 2016	1,153,086
NET BOOK VALUE	
At 30th June 2016	3,651,442
At 30th June 2015	4,107,872

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30th June 2016

10. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1st July 2015	1,385,765	31,484	875,400
Additions	-	-	407,870
At 30th June 2016	1,385,765	31,484	1,283,270
DEPRECIATION			
At 1st July 2015	13,527	31,484	166,841
Charge for year	7,392	-	179,126
Eliminated on disposal	-	-	-
At 30th June 2016	20,919	31,484	345,967
NET BOOK VALUE			
At 30th June 2016	1,364,846	-	937,303
At 30th June 2015	1,372,238	-	708,559

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1st July 2015	399,245	39,124	616,688	3,347,706
Additions	25,909	94,661	22,624	551,064
Disposals	-	(20,919)	(135,000)	(155,919)
At 30th June 2016	425,154	112,866	504,312	3,742,851
DEPRECIATION				
At 1st July 2015	227,132	15,126	370,137	824,247
Charge for year	72,407	7,813	51,481	318,219
Eliminated on disposal	-	(12,458)	(91,125)	(103,583)
At 30th June 2016	299,539	10,481	330,493	1,038,883
NET BOOK VALUE				
At 30th June 2016	125,615	102,385	173,819	2,703,968
At 30th June 2015	172,113	23,998	246,551	2,523,459

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30th June 2016

10. TANGIBLE FIXED ASSETS - continued

Group

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1st July 2015	7,759
Additions	86,161
At 30th June 2016	93,920
DEPRECIATION	
At 1st July 2015	970
Charge for year	1,697
At 30th June 2016	2,667
NET BOOK VALUE	
At 30th June 2016	91,253
At 30th June 2015	6,789

Company

	Plant and machinery £	Fixtures and fittings £	Totals £
COST			
At 1st July 2015	875,400	172,844	1,048,244
Additions	407,870	-	407,870
At 30th June 2016	1,283,270	172,844	1,456,114
DEPRECIATION			
At 1st July 2015	166,841	73,237	240,078
Charge for year	179,126	43,211	222,337
At 30th June 2016	345,967	116,448	462,415
NET BOOK VALUE			
At 30th June 2016	937,303	56,396	993,699
At 30th June 2015	708,559	99,607	808,166

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30th June 2016

11. FIXED ASSET INVESTMENTS

Group

	Unlisted investments £
COST OR VALUATION	
Additions	83,600
Revaluations	(3,600)
	<u>80,000</u>
At 30th June 2016	<u>80,000</u>
NET BOOK VALUE	
At 30th June 2016	<u>80,000</u>

Cost or valuation at 30th June 2016 is represented by:

	Unlisted investments £
Valuation in 2016	<u>80,000</u>

If the fixed asset investment had not been revalued it would have been included at the following historical cost:

	2016 £	2015 £
Cost	<u>83,600</u>	<u>-</u>
Aggregate provisions	<u>3,600</u>	<u>-</u>

The fixed asset investment was valued on an impairment basis on 30th June 2016 by the directors.

Company

	Shares in group undertakings £	Unlisted investments £	Totals £
COST OR VALUATION			
At 1st July 2015	5,800,000	-	5,800,000
Additions	-	83,600	83,600
Revaluations	-	(3,600)	(3,600)
	<u>5,800,000</u>	<u>80,000</u>	<u>5,880,000</u>
At 30th June 2016	<u>5,800,000</u>	<u>80,000</u>	<u>5,880,000</u>
NET BOOK VALUE			
At 30th June 2016	<u>5,800,000</u>	<u>80,000</u>	<u>5,880,000</u>
At 30th June 2015	<u>5,800,000</u>	<u>-</u>	<u>5,800,000</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30th June 2016

11. **FIXED ASSET INVESTMENTS - continued**

Company

Cost or valuation at 30th June 2016 is represented by:

	Shares in group undertakings £	Unlisted investments £	Totals £
Valuation in 2016	5,800,000	80,000	5,880,000

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiary

Echo Studios Limited

Registered office:

Nature of business: Trading company

Class of shares:

Ordinary

%
holding
100.00

	2016 £	2015 £
Aggregate capital and reserves	2,009,536	1,624,421
Profit for the year	2,354,570	1,351,903

12. **INVESTMENT PROPERTY**

Company

Total
£

FAIR VALUE

At 1st July 2015

and 30th June 2016

1,385,765

NET BOOK VALUE

At 30th June 2016

1,385,765

At 30th June 2015

1,385,765

The investment property was purchased in August 2013. The fair value of the property at June 2016 has been arrived at on the basis of a valuation carried out at that date by Mr Cardwell, a director of the company who is not a professionally qualified valuer. The valuation, which does not differ from the valuation at the end of the previous reporting period, was arrived at by reference to market evidence of transaction prices for similar properties in its location and takes into account the rental market in the area where the property is situated.

The historic cost of the investment property was £1,385,765 (2015 : £1,385,765).

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30th June 2016

13. STOCKS

	Group	
	2016	2015
	£	£
Stocks	114,641	89,262

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	1,455,798	1,427,897	-	-
Amounts owed by group undertakings	-	-	-	20,099
Other debtors	22,822	259,145	10,783	32,706
Directors' current accounts	-	2,969	-	-
Prepayments and accrued income	519,316	294,340	-	-
	<u>1,997,936</u>	<u>1,984,351</u>	<u>10,783</u>	<u>52,805</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Bank loans and overdrafts (see note 17)	631,938	-	-	-
Hire purchase contracts (see note 18)	10,959	1,119	-	-
Trade creditors	489,517	639,394	11,858	39,164
Other creditors	1,305,135	92,740	1,305,135	92,740
Amounts owed to group undertakings	-	-	319,644	-
Tax	279,643	198,568	48,275	-
Social security and other taxes	93,758	57,742	-	-
VAT	278,278	247,571	8,187	2,030
Other creditors	3,617	-	-	-
Directors' current accounts	-	1	-	-
Accruals and deferred income	331,595	215,650	7,750	8,400
	<u>3,424,440</u>	<u>1,452,785</u>	<u>1,700,849</u>	<u>142,334</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Preference shares (see note 17)	-	1,000,000	-	1,000,000
Hire purchase contracts (see note 18)	76,133	5,542	-	-
Other creditors	3,464,858	-	3,464,858	-
	<u>3,540,991</u>	<u>1,005,542</u>	<u>3,464,858</u>	<u>1,000,000</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30th June 2016

17. **LOANS**

An analysis of the maturity of loans is given below:

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Amounts falling due within one year or on demand:				
Bank overdrafts	631,938	-	-	-
Amounts falling due in more than five years:				
Repayable otherwise than by instalments				
Preference shares	-	1,000,000	-	1,000,000

Details of shares shown as liabilities are as follows:

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2016 £	2015 £
1,000,000	Cumulative redeemable preference	1.00	-	1,000,000

18. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

Group	Hire purchase contracts	
	2016 £	2015 £
Net obligations repayable:		
Within one year	10,959	1,119
Between one and five years	76,133	5,542
	87,092	6,661

19. **PROVISIONS FOR LIABILITIES**

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Deferred tax				
Accelerated capital allowances	38,338	31,643	-	-
Fixed asset timing differences	130,393	110,442	130,393	110,442
	168,731	142,085	130,393	110,442

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30th June 2016

19. PROVISIONS FOR LIABILITIES - continued

Group

	Deferred tax £
Balance at 1st July 2015	142,085
Provided during year	34,491
Adjustment to prior period	7,070
Effect of tax rate change	(14,915)
Balance at 30th June 2016	<u>168,731</u>

Company

	Deferred tax £
Balance at 1st July 2015	110,442
Provided during year	24,632
Adjustment for prior period	7,070
Effect of tax rate change	(11,751)
Balance at 30th June 2016	<u>130,393</u>

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016 £	2015 £
1,000,000	Ordinary-A	1.00	<u>1,000,000</u>	<u>5,800,000</u>

On 14 March 2016 the company reduced its issued share capital by the return of £4,800,000 to the shareholders and the cancellation of 4,800,000 of the 5,800,000 Ordinary-A shares in issue, leaving 1,000,000 fully paid Ordinary-A shares in issue.

21. RESERVES

Group

	Retained earnings £	Capital redemption reserve £	Other reserves £	Totals £
At 1st July 2015	185,099	800,000	-	985,099
Profit for the year	1,654,270			1,654,270
Purchase of own shares	(1,000,000)	1,000,000	-	-
Capital contribution - restatement of DLA to present value	-	-	552,510	552,510
At 30th June 2016	<u>839,369</u>	<u>1,800,000</u>	<u>552,510</u>	<u>3,191,879</u>

Echo Studios Holdings Limited (Registered number: 08474721)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30th June 2016**

21. RESERVES - continued

Company

	Retained earnings £	Capital redemption reserve £	Other reserves £	Totals £
At 1st July 2015	266,333	800,000	-	1,066,333
Profit for the year	1,732,978			1,732,978
Purchase of own shares	(1,000,000)	1,000,000	-	-
Capital contribution - restatement of DLA to present value	-	-	552,510	552,510
At 30th June 2016	<u>999,311</u>	<u>1,800,000</u>	<u>552,510</u>	<u>3,351,821</u>

22. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is F H Cardwell.

Reconciliation of Equity
1st July 2014
(Date of Transition to FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Intangible assets	a	4,564,302	-	4,564,302
Tangible assets		3,382,346	-	3,382,346
		<u>7,946,648</u>	<u>-</u>	<u>7,946,648</u>
CURRENT ASSETS				
Stocks		113,545	-	113,545
Debtors		1,680,926	-	1,680,926
Cash at bank and in hand		483,440	-	483,440
		<u>2,277,911</u>	<u>-</u>	<u>2,277,911</u>
CREDITORS				
Amounts falling due within one year	b	(2,123,884)	(8,986)	(2,132,870)
NET CURRENT ASSETS		<u>154,027</u>	<u>(8,986)</u>	<u>145,041</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,100,675	(8,986)	8,091,689
CREDITORS				
Amounts falling due after more than one year		(1,901,480)	-	(1,901,480)
PROVISIONS FOR LIABILITIES		<u>(68,490)</u>	<u>-</u>	<u>(68,490)</u>
NET ASSETS		<u>6,130,705</u>	<u>(8,986)</u>	<u>6,121,719</u>
CAPITAL AND RESERVES				
Called up share capital		5,800,000	-	5,800,000
Capital redemption reserve		500,000	-	500,000
Retained earnings		(169,295)	(8,986)	(178,281)
SHAREHOLDERS' FUNDS		<u>6,130,705</u>	<u>(8,986)</u>	<u>6,121,719</u>
		<u>6,130,705</u>	<u>(8,986)</u>	<u>6,121,719</u>

The notes on pages 14 to 26 form part of these financial statements

Reconciliation of Equity - continued
30th June 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Intangible assets	a	4,324,076	(216,204)	4,107,872
Tangible assets		2,523,459	-	2,523,459
		<u>6,847,535</u>	<u>(216,204)</u>	<u>6,631,331</u>
CURRENT ASSETS				
Stocks		89,262	-	89,262
Debtors		1,984,351	-	1,984,351
Cash at bank and in hand		680,567	-	680,567
		<u>2,754,180</u>	<u>-</u>	<u>2,754,180</u>
CREDITORS				
Amounts falling due within one year	b	(1,442,165)	(10,620)	(1,452,785)
NET CURRENT ASSETS		<u>1,312,015</u>	<u>(10,620)</u>	<u>1,301,395</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,159,550	(226,824)	7,932,726
CREDITORS				
Amounts falling due after more than one year		(1,005,542)	-	(1,005,542)
PROVISIONS FOR LIABILITIES		<u>(142,085)</u>	<u>-</u>	<u>(142,085)</u>
NET ASSETS		<u>7,011,923</u>	<u>(226,824)</u>	<u>6,785,099</u>
CAPITAL AND RESERVES				
Called up share capital		5,800,000	-	5,800,000
Capital redemption reserve		800,000	-	800,000
Retained earnings		411,923	(226,824)	185,099
SHAREHOLDERS' FUNDS		<u>7,011,923</u>	<u>(226,824)</u>	<u>6,785,099</u>
		<u>7,011,923</u>	<u>(226,824)</u>	<u>6,785,099</u>

Notes to the reconciliation of equity

a, The effect on transition of goodwill is to amortise it over it's new life of 10 years.

b, The effect of creditors due in 1 year on transition are for a holiday pay accrual after deducting the tax implications.

The notes on pages 14 to 26 form part of these financial statements

**Reconciliation of Profit
for the Year Ended 30th June 2015**

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	7,493,241	-	7,493,241
Cost of sales	(2,464,966)	-	(2,464,966)
GROSS PROFIT	5,028,275	-	5,028,275
Administrative expenses	(4,024,253)	(218,246)	(4,242,499)
Other operating income	193,052	-	193,052
OPERATING PROFIT	1,197,074	(218,246)	978,828
Interest receivable and similar income	1,210	-	1,210
Interest payable and similar expenses	(42,248)	-	(42,248)
PROFIT BEFORE TAXATION	1,156,036	(218,246)	937,790
Tax on profit	(274,818)	408	(274,410)
PROFIT FOR THE FINANCIAL YEAR	881,218	(217,838)	663,380
Profit attributable to: Owners of the parent			663,380

The notes on pages 14 to 26 form part of these financial statements