

Company Registration No. 08495607 (England and Wales)

M2 ENTERTAINMENT LIMITED (FORMERLY M2FILM PRODUCTION LIMITED)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2013

COMPANIES HOUSE

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M2 ENTERTAINMENT LIMITED (FORMERLY M2FILM PRODUCTION LIMITED)

COMPANY INFORMATION

Director M Nielsen (Appointed 9 December 2013)

Secretary S Hunnerup

Company number 08495607

Registered office Lion House
Red Lion Street
London
WC1R 4GB

Independent Auditors Saffery Champness
Lion House
Red Lion Street
London
WC1R 4GB

M2 ENTERTAINMENT LIMITED (FORMERLY M2FILM PRODUCTION LIMITED)

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M2 ENTERTAINMENT LIMITED (FORMERLY M2FILM PRODUCTION LIMITED)

**STRATEGIC REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2013**

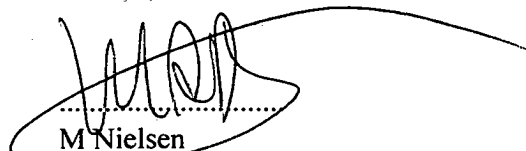
The director presents his strategic report for the period ended 31 December 2013.

Review of the business

During the period the company was involved in motion picture and video production.

The directors have reviewed the principal risks and resultant uncertainties facing the company as being the ability to secure future contracts. However, the ultimate parent company has provided sufficient assurances that it will continue to support the company and provide the necessary finances for its future operations.

On behalf of the board


.....
M Nielsen
Director
30/04/14.....

M2 ENTERTAINMENT LIMITED (FORMERLY M2FILM PRODUCTION LIMITED)

DIRECTOR'S REPORT FOR THE PERIOD ENDED 31 DECEMBER 2013

The director presents his report and financial statements for the period ended 31 December 2013.

Incorporation

The company was incorporated on 19 April 2013 and began trading on the same day.

Principal activities

The principal activity of the company is the production of animated programmes.

Directors

The following directors have held office since 19 April 2013:

K Plummer	(Appointed 19 April 2013 and resigned 9 December 2013)
M Nielsen	(Appointed 9 December 2013)

Auditors

Saffery Champness were appointed 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 director's responsibilities

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

M2 ENTERTAINMENT LIMITED (FORMERLY M2FILM PRODUCTION LIMITED)

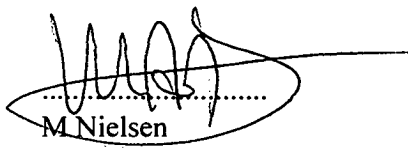
**DIRECTOR'S REPORT (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2013**

Statement of disclosure to auditors

So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself 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 special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board


.....
M Nielsen
Director
.....30/09/14.....

M2 ENTERTAINMENT LIMITED (FORMERLY M2FILM PRODUCTION LIMITED)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF M2 ENTERTAINMENT LIMITED (FORMERLY M2FILM PRODUCTION LIMITED)

We have audited the financial statements of M2 Entertainment Limited (formerly M2Film Production Limited) for the period ended 31 December 2013 set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 director and auditors

As explained more fully in the Director's Responsibilities Statement set out on pages 2 - 3, the director is 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 director; 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 31 December 2013 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Director's Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

M2 ENTERTAINMENT LIMITED (FORMERLY M2FILM PRODUCTION LIMITED)

INDEPENDENT AUDITORS' REPORT (continued)

TO THE MEMBERS OF M2 ENTERTAINMENT LIMITED (FORMERLY M2FILM PRODUCTION 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, 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.

John Graydon

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

28/5/14.

Chartered Accountants
Statutory Auditors

Lion House
Red Lion Street
London
WC1R 4GB

M2 ENTERTAINMENT LIMITED (FORMERLY M2FILM PRODUCTION LIMITED)

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2013**

		Period ended 31 December 2013 £
	Notes	
Turnover	2	7,726,670
Cost of sales		<u>(7,679,575)</u>
Gross profit		47,095
Administrative expenses		<u>(179,582)</u>
Operating loss	3	(132,487)
Interest payable and similar charges	4	<u>(412)</u>
Loss on ordinary activities before taxation		(132,899)
Tax on loss on ordinary activities	5	<u>593,518</u>
Profit for the period	9	<u><u>460,619</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

The notes on pages 8 to 12 form part of these financial statements.

M2 ENTERTAINMENT LIMITED (FORMERLY M2FILM PRODUCTION LIMITED)

**BALANCE SHEET
AS AT 31 DECEMBER 2013**

	Notes	£	2013 £
Current assets			
Debtors	6	5,607,271	
Cash at bank and in hand		10,117	
		<u>5,617,388</u>	
Creditors: amounts falling due within one year	7	<u>(5,156,669)</u>	
Total assets less current liabilities			<u>460,719</u>
Capital and reserves			
Called up share capital	8		100
Profit and loss account	9		<u>460,619</u>
Shareholders' funds	10		<u>460,719</u>

The notes on pages 8 to 12 form part of these financial statements.

Approved by the Board and authorised for issue on 30/09/14



M Nielsen
Director

Company Registration No. 08495607

M2 ENTERTAINMENT LIMITED (FORMERLY M2FILM PRODUCTION LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2013

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

In respect of long-term contract and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Value of work done in respect of long-term contract and contracts for on-going services is determined by reference to the stage of completion.

1.4 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.5 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Turnover

Geographical market

	Turnover 2013 £
Denmark	(7,726,670)
	<u>(7,726,670)</u>

M2 ENTERTAINMENT LIMITED (FORMERLY M2FILM PRODUCTION LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2013**

3	Operating loss	2013
		£
	Operating loss is stated after charging:	
	Auditors' remuneration	
	Fees payable to the company's auditor for the audit of the company's annual accounts	12,589
	Advisory	28,316
	Taxation	1,747
		<u>42,652</u>
4	Interest payable	2013
		£
	On bank loans and overdrafts	<u>412</u>
5	Taxation	2013
		£
	Domestic current year tax	
	U.K. corporation tax	<u>(593,518)</u>
	Total current tax	<u>(593,518)</u>
	Factors affecting the tax charge for the period	
	Loss on ordinary activities before taxation	<u>(132,899)</u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.00%	<u>(30,567)</u>
	Effects of:	
	Enhanced losses arising from the tv tax credit	(515,470)
	Difference between the rate of corporation tax and the rate of relief under the TV tax credit	<u>(47,481)</u>
		<u>(562,951)</u>
	Current tax charge for the period	<u>(593,518)</u>

M2 ENTERTAINMENT LIMITED (FORMERLY M2FILM PRODUCTION LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2013**

6 Debtors	2013
	£
Amounts owed by parent and fellow subsidiary undertakings	4,690,781
Corporation tax	593,518
Called up share capital not paid	100
Other debtors	322,872
	<u>5,607,271</u>
7 Creditors: amounts falling due within one year	2013
	£
Trade creditors	260,169
Amounts owed to parent and fellow subsidiary undertakings	4,493,685
Accruals and deferred income	402,815
	<u>5,156,669</u>
8 Share capital	2013
	£
Allotted, called up and fully paid	
100 Ordinary shares of £1 each	<u>100</u>
9 Statement of movements on profit and loss account	Profit and loss account £
Profit for the period	<u>460,619</u>

M2 ENTERTAINMENT LIMITED (FORMERLY M2FILM PRODUCTION LIMITED)**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2013**

10 Reconciliation of movements in shareholders' funds	2013
	£
Profit for the financial period	460,619
Proceeds from issue of shares	100
Net addition to shareholders' funds	460,719
Opening shareholders' funds	-
Closing shareholders' funds	460,719
11 Directors' remuneration	2013
	£
Remuneration for qualifying services	212,500
Remuneration disclosed above include the following amounts paid to the highest paid director:	
Remuneration for qualifying services	122,176
12 Employees	
Number of employees	
The average monthly number of employees (including directors) during the period was:	
	2013
	Number
Production staff	14
Employment costs	2013
	£
Wages and salaries	1,348,894

M2 ENTERTAINMENT LIMITED (FORMERLY M2FILM PRODUCTION LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2013**

13 Control

The company's immediate parent undertaking is MJM Invest ApS, a company registered in Denmark.

The ultimate controlling party is Mads Munk, by virtue of his shareholding in the immediate parent company.

14 Related party relationships and transactions

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.