

Registered number
02908076

Blakeway Productions Limited
Report and Financial Statements

30 June 2017



Blakeway Productions Limited
Report and accounts
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Blakeway Productions Limited
Company Information

Directors

D Galan
F Stourton
A Mckerlie
D Blakeway (resigned 26 February 2018)

Secretary

D Galan

Bankers

Barclays Bank plc
1 Churchill Place
Canary Wharf
London
E14 5HP

Solicitors

CMS Cameron McKenna Nabarro Olswang LLP
Cannon Place
78 Cannon Street
London
EC4N 6AF

Registered office

13th Floor Portland House, Bressenden Place
London
SW1E 5BH

Registered number

02908076

Blakeway Productions Limited

Registered number: 02908076

Directors' Report

The directors present their report and financial statements for the year ended 30 June 2017.

Principal activities

The Company's principal activity during the year was the production of television & radio documentaries.

Financial instrument risk

The Company's principal financial risk is in managing its foreign currency exposure. Certain customer revenue is received in foreign currencies and certain programme production expenses are also incurred in foreign currencies. Adverse movements or fluctuations in foreign currencies could impact on the cash flows and profitability of the Company's activities. The Company mitigates this risk by monitoring its foreign currency exposure and considers hedging strategies where it is considered prudent.

Through its trading activities the Company is exposed to credit risk. Credit risk arises from customers not meeting payment terms, however this is closely monitored by management.

Going concern

These financial statements have been prepared on a going concern basis due to the parent Company indicating their intention to continue to provide financial support to the Company for a period of not less than 12 months from the date of signing and approval of the financial statements.

Dividends

The Directors have not recommended the payment of a dividend (2016: £nil).

Directors

The following persons served as directors during the year:

D Galan
F Stourton
A Mckerlie
D Blakeway (resigned 26 February 2018)

One director is a director of the ultimate parent undertaking, Zinc Media Group plc and their interest is disclosed in the financial statements of that Company.

Political donations

The Company has not made any political contributions during the year (2016: £nil).

Blakeway Productions Limited**Registered number:** 02908076**Directors' Report****Statement of Directors' responsibilities**

The directors are responsible for preparing the report and 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 (Financial Reporting Standard 102 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Exemption from audit

Blakeway Productions Limited is a subsidiary of Zinc Media Group plc (registered number SC075133) for the year ended 30 June 2017 and is exempt from the requirement of the Companies Act 2006 relating to the audit of individual accounts by virtue of section 479A.

This report was approved by the board on 23 March 2018 and signed on its behalf.



D Galan
Director

Blakeway Productions Limited

Strategic Report

The directors present their Strategic Report for the year ended 30 June 2017.

Principal activity and review of the business

Throughout the year, the Company's principal activity continued to be that of television programme production. The directors do not anticipate any changes in those activities over the coming year.

There was a loss for the year after taxation amounting to £31,824 (2016: loss of £266,274). The directors do not recommend the payment of a dividend.

As at 30 June 2017 shareholders' deficit was £113,380 (30 June 2016: shareholders' deficit was £81,556).

The Company uses the following key performance indicators ("KPIs") to understand the development, performance and position of the Company:

	Year ended	Year ended
	30 June	30 June
	2017	2016
	£'000	£'000
Turnover	4,266	3,526
Gross profit	1,016	717
Operating profit/(loss)	28	(291)

Principal risks and uncertainties

The analysis of the risks and uncertainties facing the parent Company, Zinc Media Group plc, are discussed in the group's Annual Report which is publically available. The principal risks and uncertainties facing the Company are detailed below. The Company operates in a highly competitive environment that is subject to constant and unpredictable changes in client and consumer demand and the general economy. In order to remain competitive it must continue to invest in and adapt its business.

Key customers and potential impact on Company cashflows

The Company relies on a number of key customers, namely major broadcasters. The business plan produced by management assumes new and continuing revenue from such key customers. In the event that expected new commissions were to fail to materialise, this could affect the projected growth of the Company. The Company's key clients are public and private broadcasters who are vulnerable to budget cuts, advertising pressure on commercial broadcasters and market trends. Any delay in commissions, which may or may not be in the control of the Company, could have a material impact on the revenue, forecasting and cash flow. We seek to mitigate this by establishing and maintaining good relations with our customers, focussing on enhancing and increasing our reputation and delivery and striving for excellence in the quality and creativity of our programming output.

Royalty income

Across the TV industry royalty income can be a significant profit generator for the intellectual property holder. This income can vary in amounts, be difficult to forecast, require continuous monitoring and upgrading with new products to maintain a steady stream of income. There is a risk that the development of new programmes and formats will not generate the same level of income in the future, as is derived from current products in the portfolio. To mitigate this risk the Company invests in the development of new ideas and intellectual property assets that will, hopefully, be attractive to its client base.

Key relationships

The Company relies on the strong relationships that its key employees have established with its broadcasting clients. The loss of one or more of these key business relationships may have a material adverse effect on the Company's revenues. Furthermore, the loss of key management or other key personnel, particularly to competitors, and, as a consequence, the loss of these key relationships, could have adverse consequences for the Company. Again we seek to mitigate this by continually fostering strong relationships with key clients, spread across different employees within the Company.

Market and competition

The Company operates in highly competitive markets which are rapidly evolving and adapting, in particular due to factors such as consumer tastes, trends and technology advancements, and which may become more competitive. Key clients can change programming, strategy and advertising priorities at short notice, which could lead to volatility in revenues for the Company.

Exposure to economic cycle

The Company is exposed to the general economic cycle through its customers' ability to purchase new content. Such content could be vulnerable to delay or cancellation in the event of a continuing and prolonged downturn.

This report was approved by the board on 23 March 2018 and signed on its behalf.



D Galan
Director

Blakeway Productions Limited
Income Statement
for the year ended 30 June 2017

	Notes	2017 £	2016 £
Turnover	3	4,265,924	3,525,859
Cost of sales		(3,250,420)	(2,809,184)
Gross profit		<u>1,015,504</u>	<u>716,675</u>
Administrative expenses		(987,228)	(1,008,094)
Operating profit/(loss)	4	<u>28,276</u>	<u>(291,419)</u>
Interest payable	7	-	(55)
Profit/(loss) on ordinary activities before taxation		<u>28,276</u>	<u>(291,474)</u>
Tax on profit/(loss) on ordinary activities	8	(60,100)	25,200
Loss for the financial year		<u>(31,824)</u>	<u>(266,274)</u>

All amounts relate to continuing operations.

There was no other comprehensive income in the year.

The accompanying notes on pages 9 to 16 form part of these financial statements.

Blakeway Productions Limited
Statement of Financial Position
as at 30 June 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	9	4,211	17
Current assets			
Stocks	10	23,117	19,982
Debtors	11	1,280,476	727,227
Cash at bank and in hand		656,720	618,846
		<u>1,960,313</u>	<u>1,366,055</u>
Creditors: amounts falling due within one year	12	(2,077,904)	(1,447,628)
Net current liabilities		<u>(117,591)</u>	<u>(81,573)</u>
Net liabilities		<u>(113,380)</u>	<u>(81,556)</u>
Capital and reserves			
Called up share capital	14	100	100
Other reserves	15	708,423	708,423
Profit and loss account	16	(821,903)	(790,079)
Total equity		<u>(113,380)</u>	<u>(81,556)</u>

- For the year ending 30 June 2017 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies
- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts



D Galan
Director

Approved by the board on 23 March 2018

The accompanying notes on pages 9 to 16 form part of these financial statements.

Blakeway Productions Limited
Statement of Changes in Equity
for the year ended 30 June 2017

	Share capital	Other reserves	Profit and loss account	Total
	£	£	£	£
At 1 July 2015	100	708,423	(523,805)	184,718
Loss for the financial year			(266,274)	(266,274)
At 30 June 2016	<u>100</u>	<u>708,423</u>	<u>(790,079)</u>	<u>(81,556)</u>
At 1 July 2016	100	708,423	(790,079)	(81,556)
Loss for the financial year			(31,824)	(31,824)
At 30 June 2017	<u>100</u>	<u>708,423</u>	<u>(821,903)</u>	<u>(113,380)</u>

The accompanying notes on pages 9 to 16 form part of these financial statements.

Blakeway Productions Limited
Notes to the Accounts
for the year ended 30 June 2017

1 Summary of significant accounting policies

Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The individual accounts of Blakeway Productions Limited have also adopted the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes
- financial instrument disclosures, including:
 - categories of financial instruments,
 - items of income, expenses, gains or losses relating to financial instruments, and
 - exposure to and management of financial risks.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the rendering of services and royalties. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Turnover from royalties is recognised when they become receivable.

Going concern

These financial statements have been prepared on a going concern basis due to the parent Company indicating their intention to continue to provide financial support to the Company for a period of not less than 12 months from the date of signing and approval of the financial statements.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Fixtures, fittings, tools and equipment	over 5 years
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Blakeway Productions Limited
Notes to the Accounts
for the year ended 30 June 2017

Production cost and WIP

Where the company has deficit-financed a completed and delivered production, the cost is recognised as a fixed asset, described as "Production costs". The amortisation charge for such production costs will equal the receipt of ancillary revenue in the period, supplemented if necessary by any provision for diminution in the value of the asset. The net book value of the production is reduced at the year end by the income received in the year, and the amount held on the statement of financial position will be the lesser of the amount of anticipated ancillary revenues and the amortised cost of investment. Where the company has deficit-financed an incomplete television production, the cost of investment is recognised as a current asset "Work in Progress" less provisions for any anticipated under-recoveries.

Programmes incomplete at year end

Where productions are in progress at the year end and where the sales invoiced exceed the value of work done the excess is shown as deferred income; where the costs incurred exceed sales invoiced the amounts are classified as accrued income. Where it is anticipated that a production will make a loss, the anticipated loss is provided for in full.

Development costs

Development costs on new projects are written off as incurred unless they are attributable to specific projects and the directors are of the opinion that the relevant project will proceed and be profitable.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only 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 difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

Blakeway Productions Limited
Notes to the Accounts
for the year ended 30 June 2017

Provisions

Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

2 Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgement, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of the estimation means that actual outcomes could differ from those estimates. The items in the financial statements where these judgments and estimates have been made include:

Turnover

Turnover (which excludes VAT) from the production of TV programmes is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Gross profit on production activity is recognised based upon the stage of completion of the production and in accordance with the underlying contract. Gross profit from exploitation of programme rights is recognised when receivable.

Blakeway Productions Limited
Notes to the Accounts
for the year ended 30 June 2017

3 Analysis of turnover	2017	2016
	£	£
Production income	4,025,722	3,279,299
Royalties	240,202	246,560
	<u>4,265,924</u>	<u>3,525,859</u>
By geographical market:		
UK	3,663,672	3,367,053
Europe	8,079	23,678
Rest of world	594,173	135,128
	<u>4,265,924</u>	<u>3,525,859</u>
4 Operating profit / (loss)	2017	2016
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	88	59
Carrying amount of stock sold	2,827,649	2,394,501
5 Directors' emoluments	2017	2016
	£	£
The directors consider that the key management comprises of the directors of the company, and their emoluments are set out below:		
Emoluments	<u>150,169</u>	<u>235,000</u>
Highest paid director:		
Emoluments	<u>145,000</u>	<u>145,000</u>
Number of directors to whom retirement benefits accrued:	2017	2016
	Number	Number
Defined contribution plans	<u>2</u>	<u>3</u>
6 Staff costs	2017	2016
	£	£
Wages and salaries	718,241	688,007
Social security costs	28,261	42,984
Other pension costs	35,558	39,299
	<u>782,060</u>	<u>770,290</u>

Blakeway Productions Limited
Notes to the Accounts
for the year ended 30 June 2017

Average number of employees during the year	Number	Number
Administration	2	2
Development	26	28
	<u>28</u>	<u>30</u>

7 Interest payable	2017	2016
	£	£
Bank loans and overdrafts	-	55

8 Taxation	2017	2016
	£	£
Analysis of charge in period		
Deferred tax:		
Origination and reversal of timing differences	56,761	(25,200)
Effect of increased tax rate on opening liability	3,339	-
	<u>60,100</u>	<u>(25,200)</u>
Tax on profit/(loss) on ordinary activities	<u>60,100</u>	<u>(25,200)</u>

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2017	2016
	£	£
Profit/(loss) on ordinary activities before tax	<u>28,276</u>	<u>(291,474)</u>
Standard rate of corporation tax in the UK	19.75%	20%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	5,585	(58,295)
Effects of:		
Group relief claimed	(2,961)	-
Tax losses arising in year not utilised	-	57,450
Movement in deferred tax	57,476	(24,355)
	<u>60,100</u>	<u>(25,200)</u>
Current tax charge for period		

Factors that may affect future tax charges

The deferred tax asset not recognised as at 30 June 2017 amounted to £6,357.

Blakeway Productions Limited
Notes to the Accounts
for the year ended 30 June 2017

9 Tangible fixed assets

	Fixtures, fittings, tools and equipment
	<i>At cost</i>
	£
Cost or valuation	
At 1 July 2016	17,776
Additions	4,282
At 30 June 2017	<u>22,058</u>
Depreciation	
At 1 July 2016	17,759
Charge for the year	88
At 30 June 2017	<u>17,847</u>
Carrying amount	
At 30 June 2017	<u>4,211</u>
At 30 June 2016	<u>17</u>

10 Stocks

	2017	2016
	£	£
Work in progress	<u>23,117</u>	<u>19,982</u>

11 Debtors

	2017	2016
	£	£
Trade debtors	152,678	134,312
Amounts owed by group undertakings and undertakings in which the company has a participating interest	898,057	347,385
Deferred tax asset (see note 13)	-	60,100
Prepayments and accrued income	229,741	185,430
	<u>1,280,476</u>	<u>727,227</u>

12 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	133,327	164,105
Amounts owed to group undertakings and undertakings in which the company has a participating interest	802,497	560,962
Corporation tax	-	24
Other taxes and social security costs	127,932	200,675
Accruals and deferred income	1,014,148	521,862
	<u>2,077,904</u>	<u>1,447,628</u>

Blakeway Productions Limited
Notes to the Accounts
for the year ended 30 June 2017

13 Deferred taxation	2017	2016
	£	£
Accelerated capital allowances	-	(8,400)
Tax losses carried forward	-	(51,700)
	<u>-</u>	<u>(60,100)</u>

	2017	2016
	£	£
At 1 July	(60,100)	(34,900)
Charged/(credited) to the profit and loss account	60,100	(25,200)
At 30 June	<u>-</u>	<u>(60,100)</u>

14 Share capital	Nominal value	2017 Number	2017	2016
			£	£
Allotted, called up and fully paid: Ordinary shares	£1 each	100	<u>100</u>	<u>100</u>

15 Other reserves	2017	2016
	£	£
Capital contribution reserve		
At 1 July	708,423	708,423
At 30 June	<u>708,423</u>	<u>708,423</u>

16 Profit and loss account	2017	2016
	£	£
At 1 July	(790,079)	(523,805)
Loss for the financial year	(31,824)	(266,274)
At 30 June	<u>(821,903)</u>	<u>(790,079)</u>

17 Related party transactions

The company has taken advantage of the exemption in FRS 102.33.1A not to disclose related party transactions with fellow wholly-owned subsidiary undertakings of Zinc Media Group plc, which prepares publicly available consolidated financial statements (see note 18).

Blakeway Productions Limited
Notes to the Accounts
for the year ended 30 June 2017

18 Ultimate parent undertaking and controlling party

The Company is a subsidiary of Zinc Media Group plc, a company incorporated in Scotland, which is the ultimate parent undertaking.

Copies of its group accounts, which include the company, are available from 7 Exchange Crescent, Conference Square, Edinburgh, EH3 8AN and from www.zincmedia.com.

19 Presentation currency

The financial statements are presented in Sterling, which is the functional currency of the company.

20 Legal form of entity and country of incorporation

Blakeway Productions Limited is a private company limited by shares and incorporated in England.

21 Principal place of business

The address of the company's principal place of business and registered office is:

13th Floor Portland House, Bressenden Place
London
SW1E 5BH

22 Share capital and reserves

The Company statements of changes in equity are disclosed as primary statements on page 8. Below is a description of the nature and purpose of the individual reserves:

- Share capital represents the nominal value of shares issued.
- Other reserves represent a capital contribution from the parent company, see note 15.
- Profit and loss account represents the realised gains and losses made by the Company.