

**THE UK FILM & TELEVISION PRODUCTION  
COMPANY PLC**

**ANNUAL REPORT**

**For the year ended 31 March 2019**

**Registered No: 04090944**

FRIDAY



\*A8EWG03\*

A36

27/09/2019

#353

COMPANIES HOUSE

**CONTENTS**

	<b>Page</b>
Directors and advisers	2
Strategic Report from the Chairman	3
Directors' report	4 - 6
Independent auditors' report	7 - 9
Income statement and statement of comprehensive income	10
Statement of financial position	11
Statement of movements in equity	12
Statement of cash flows	13
Notes to the financial statements	14 -20

**The UK Film & Television Production Company PLC**

---

**Directors and Advisers**

**Directors**

Rupert Lywood  
Joseph D'Morais  
Colin Luke  
Julia Palau

**Registered Auditors**

BDO LLP  
55 Baker Street  
London  
W1U 7EU

**Secretary**

Andrews Crosse Services

**Registered Office**

Thavies Inn House  
3-4 Holborn Circus  
London  
EC1N 2HA

**Bankers**

Barclays Bank PLC  
PO Box 777  
Wolverhampton  
West Midlands  
WV1 1XJ

**Registrar**

Wilson Wright LLP  
Thavies Inn House  
3-4 Holborn Circus  
London  
EC1N 2HA

## **Strategic Report from the Chairman**

### **Overview**

Resources continue to be deployed on further development of “The Mirror Projection Project” through the partnership formed in late 2018. The main focus has been to build medical simulation laboratories (Extended Reality Laboratories (ERL’s)) the first of which now forms part of a new Patient Safety Centre in the Postgraduate Medical and Education Centre at County Hospital, Stafford. The Board continues to work on exploiting projects already invested in.

### **Trading and results**

A loss on ordinary activities of £92,529 was recorded (2018: £98,597 loss). The result includes impairments of film projects totaling £31,000 (2018: £47,700).

The Company had net assets of £533,940 (2018: £624,469) at 31 March 2019, which included cash of £164,789 (2018: £336,186) and a total of film assets and work in progress (net of impairments) of £253,717 (2018: £323,481).

### **Outlook**

In the absence of a CEO, the Board has taken an active support role in the Mirror Projection Project partnership and an active executive role in progressing the exploitation of existing film projects.

Significant resources and marketing effort continue to be deployed centered on the partnerships flagship ERL facility in Stafford. The project is to be branded Sim4Med.

### **Principal risks and uncertainties**

Early stage pioneering businesses such as the Mirror Projection Project carry risks, a failure to meet revenue targets would inevitably have an adverse impact on the Company – sales timelines when dealing with public bodies are often uncertain and unpredictable.

There is always risk in the film industry that films might not recoup their investment in full or at all, the Company’s existing film investments and work-in-progress projects are not exempt.



**Rupert Lywood, Chairman, 26 September 2019**

## **Directors' Report for the year ended 31 March 2019**

The directors present their annual report and the audited financial statements for the year to 31 March 2019.

### **Principal activities and review of the business**

The principal activities of the Company are to resource and support the development of medical simulation laboratories and act as Producer and provide Executive Producer services.

The income statement for the year is set out on page 10 and shows the loss after tax of £92,529.

A review of the business is detailed in the Strategic Report from the Chairman.

The company uses a variety of financial and non financial KPIs to monitor business performance, which are reviewed in the Strategic Report from the Chairman.

### **Dividends and transfers to reserves**

The directors do not recommend the payment of a dividend (2018: £nil per share).

### **Directors**

The directors of the Company who held office during the year are as follows:

Rupert C G Lywood  
Joseph D'Morais  
Julia Palau  
Colin Luke

### **Going concern**

After making appropriate enquiries including review of forecasts and consideration of net realisable value of Investment in joint venture, Investment in films and Work-in-progress, and guarantees provided to the Company, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, recognising the uncertainty within Investment in joint venture, Investment in films and Work-in-progress. For this reason, they continue to adopt the going concern basis in preparing the accounts.

### **Statement of internal financial control**

The directors acknowledge their responsibilities for the Company's system of internal control. In fulfilling these responsibilities, the Board has reviewed the effectiveness of the system of internal control on the basis of the criteria set out in the 'Guidance for Directors' Internal Control and Financial Reporting'. It has considered the major business and financial risks.

As might be expected in a Company of this size, a key control procedure is the day to day supervision of the business by the directors. Other control procedures include the review of regular financial and management information.

On the basis that a system can provide only reasonable but not absolute assurance and that it relates only to the needs of the business at that time, the system of internal financial control was found to be appropriate to the business as at the time of approving the financial statements.

## **Directors' Report for the year ended 31 March 2019 (Continued)**

### **Financial risk management**

The Company's operations expose it to a variety of financial risks as discussed below. The Directors seeks to limit the adverse effect of such risks on financial performance. Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The policies are set and implemented by the Directors and team.

#### *Foreign currency risk:*

The company has some exposure to foreign currency, due to holding funds in currencies other than the functional currency, although the majority of business is transacted in sterling.

#### *Liquidity risk:*

Operations for the Company are funded by its existing cash reserves. Where projects require additional funds we will seek discussion and approval from the shareholders.

Forward looking cash flow projections are prepared and reviewed by the directors on a regular basis to assess any funding requirements.

### **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;
- 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.

**Directors' Report for the year ended 31 March 2019 (continued)**

**Auditors**

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

A resolution to reappoint BDO LLP as auditors will be proposed at the next annual general meeting.

This report was approved on behalf of the Board on 26 September 2019.



**Rupert Lywood**  
**Director**

**INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF THE UK FILM & TELEVISION PRODUCTION COMPANY PLC**

**Opinion**

We have audited the financial statements of The UK Film & Television Production Company PLC ("the Company") for the year ended 31 March 2019 which comprise the Income statement and statement of total comprehensive income, the Statement of financial position, the Statement of changes in equity, the Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UK FILM & TELEVISION PRODUCTION COMPANY PLC (continued)**

**Other information**

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have 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 Strategic report and Director's report.

We have nothing to report in respect of the following matters in relation to which 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UK FILM & TELEVISION PRODUCTION COMPANY PLC (continued)**

**Responsibilities of Directors**

As explained more fully in the Directors' report, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

*Peter Smithson (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London, UK*

*Date: 26/09/2019*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**The UK Film & Television Production Company PLC**

**Income statement and statement of total comprehensive income  
for the year ended 31 March 2019**

	Notes	Year to 31 March 2019 £	Year to 31 March 2018 £
<b>Turnover</b>	3	2,442	7,639
<b>Cost of sales</b>		(31,533)	(47,700)
<b>Gross loss</b>		(29,091)	(40,061)
<b>Net operating expenses</b>		(65,354)	(59,703)
<b>Foreign exchange profit/(loss)</b>		511	(612)
<b>Operating loss</b>		(93,934)	(100,376)
<b>Interest receivable</b>		1,405	1,779
<b>Loss on ordinary activities before taxation</b>	2	(92,529)	(98,597)
<b>Taxation charge on loss on ordinary activities</b>	6	-	-
<b>Loss for the financial year after taxation and total comprehensive loss for the year</b>		(92,529)	(98,597)
<b>Attributable to:</b>			
<b>Owners of the Company</b>		(92,529)	(98,597)
<b>Loss per share</b>	14	(3.0)p	(3.2)p

The Company has no recognised gains or losses other than those shown above.

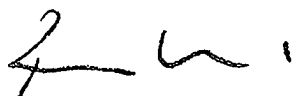
The notes on pages 14 to 20 form part of these financial statements.

**The UK Film & Television Production Company PLC**

**Statement of Financial Position  
as at 31 March 2019**

	Notes	31 March 2019 £	31 March 2018 £
<b>Fixed assets</b>			
Investment in joint venture	7	135,045	-
		<u>135,045</u>	<u>-</u>
<b>Current assets</b>			
Investment in films	8	182,767	184,800
Work-in-progress	9	70,950	138,681
Debtors – due in less than one year	10	5,360	8,673
Cash at bank and in hand		164,789	336,186
		<u>423,866</u>	<u>668,340</u>
<b>Creditors: amounts falling due within 1 year</b>	11	(24,971)	(41,871)
<b>Net current assets</b>		<u>398,895</u>	<u>626,469</u>
<b>Net assets</b>		<u>533,940</u>	<u>626,469</u>
<b>Capital and reserves</b>			
Called up share capital	13	1,560,710	1,560,710
Share premium account		1,390,382	1,390,382
Profit and loss account		(2,417,152)	(2,324,623)
<b>Shareholders' funds - equity</b>		<u>533,940</u>	<u>626,469</u>

The financial statements were approved by the board of directors and authorised for issue on 26 September 2019 by:



**Rupert Lywood**  
Director

**Company Registration Number: 04090944**

The notes on pages 14 to 20 form part of these financial statements.

**The UK Film & Television Production Company PLC**

**Statement of changes in equity  
for the year ended 31 March 2019**

	Share capital £	Share premium £	Profit and loss account £	Total equity £
<b>At 1 April 2017</b>	1,560,710	1,390,382	(2,226,026)	725,066
Loss and total comprehensive loss for the year	-	-	(98,597)	(98,597)
<b>At 31 March 2018</b>	1,560,710	1,390,382	(2,324,623)	626,469
Loss and total comprehensive loss for the year	-	-	(92,529)	(92,529)
<b>At 31 March 2019</b>	1,560,710	1,390,382	(2,417,152)	533,940

The notes on pages 14 to 20 form part of these financial statements.

**Statement of cash flows  
for the year ended 31 March 2019**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b><i>Cash flows from operating activities</i></b>		
Loss for the financial year	(92,529)	(98,597)
<b><i>Adjustments for:</i></b>		
Depreciation charge	-	122
Interest received	(1,405)	(1,779)
Foreign exchange	(511)	612
Decrease in investment in films	2,033	10,200
Decrease in work-in-progress	31,000	18,499
Decrease in debtors	3,313	167
(Decrease)/Increase in creditors	(16,900)	18,532
<b>Net cash used in operating activities</b>	<b>(74,999)</b>	<b>(52,244)</b>
<b><i>Cash flows (used in)/from investing activities</i></b>		
Interest received	1,405	1,779
Investment in joint venture	(98,314)	-
<b>Net cash (used in)/from investing activities</b>	<b>(96,909)</b>	<b>1,779</b>
<b>Net cash from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(171,908)</b>	<b>(50,465)</b>
Cash and cash equivalents at beginning of year	336,186	387,263
Foreign exchange gains and losses	511	(612)
<b>Cash and cash equivalents at end of year</b>	<b>164,789</b>	<b>336,186</b>

The notes on pages 14 to 20 form an integral part of these financial statements

## Notes to the Financial Statements for the year ended 31 March 2019

### 1. Principal accounting policies

The UK Film and Television Production Company plc is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the group's operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

The following principal accounting policies have been applied:

#### Going concern

After making appropriate enquiries including review of forecasts and consideration of net realisable value of Investment in joint venture, Investment in films and Work-in-progress, and guarantees provided to the Company, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, recognising the uncertainty within Investment in joint venture, Investment in films and Work-in-progress. For this reason, they continue to adopt the going concern basis in preparing the accounts.

#### Turnover

Turnover, which excludes Value Added Tax, represents net royalties receivable in respect of the exploitation of the company's films and the provision of producer and executive producer services. Turnover is recognised on an arising basis in line with the period covered by royalties or over the period the services relate to.

#### Joint ventures

An entity is treated as a joint venture where the Company holds a long term interest and shares control under a contractual agreement. Investments held as fixed assets are stated at cost less any provision for impairment.

#### Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all tangible fixed assets over their expected useful lives. It is calculated at 33 1/3% per annum for the Company's computer assets on a straight line basis.

#### Work-in-progress

Work-in-progress is valued at the lower of cost and net realisable value. Cost comprises direct expenditure incurred on specific film projects including pre and post-production costs. Net

## Notes to the Financial Statements for the year ended 31 March 2019 (Continued)

realisable value comprises the proceeds and royalties receivable by the company in respect of each film, less costs to sell.

### Investment in films

Film projects are transferred from work-in-progress to investment in films six months following release of the film. Investment in films is included at the lower of cost and net realisable value. Costs comprise direct film costs. Net realisable value comprises the proceeds and royalties receivable by the company in respect of each film, less costs to sell.

### Net realisable value

An assessment is made at each balance sheet date, by the directors, to determine whether a provision is required to adjust the carrying value of work-in-progress or investment in films to net realisable value. Where film projects are not expected to proceed, or the expected royalties, guarantees and future income are lower than cost, the related costs are written off to the Income statement. Any charge for writing down to net realisable value during the period is included in the profit and loss account as part of cost of sales and disclosed as an exceptional cost.

### Foreign currency translation

#### *(a) Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in 'sterling', which is the company's functional currency.

#### *(b) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses are presented as a separate line within the income statement.

### Financial instruments

#### *Financial assets*

Financial assets are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

#### *Financial liabilities and equity*

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

### Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other



## Notes to the Financial Statements for the year ended 31 March 2019 (Continued)

comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

### Reserves

The company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Share premium represents the difference between funds received for shares issued and their nominal value.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

### Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements to determine whether there are indicators of impairment of the Company's film investments, joint ventures and work in progress. Factors taken into consideration, when reviewing each film investment and ongoing project, include the stage of development, access to sufficient funds for production, the economic viability and expected future financial performance of the asset. Factors taken into consideration when considering the investment in joint ventures include review of discussions with potential customers and collaborators.

The judgement is supported (where appropriate) by the use of discounted cash flows, knowledge of secured or expected sources of income and financing relating to the projects, taking into consideration internal and external industry experts.

## 2. Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:

	2019 £	2018 £
Depreciation	-	122
Exceptional items:		
Write down in carrying value of Coram's Children	-	37,500
Write down in carrying value of Secret Sharer	-	7,000
Write down of carrying value of The Railway Children	-	3,200
Write down of carrying value of Axeman's Jazz	31,000	-
Auditors' remuneration	12,424	12,200

**Notes to the Financial Statements for the year ended 31 March 2019 (Continued)**

The exceptional write down in the carrying value of work in progress arises from the directors' assessment of the likely revenues from these films.

**3. Turnover**

Turnover is in respect of the Company's principal activity and has arisen as follows:

	2019 £	2018 £
United Kingdom	2,033	3,200
United States of America and rest of the world	409	4,439
	<u>2,442</u>	<u>7,639</u>

**4. Directors' emoluments**

	2019 £	2018 £
Directors' emoluments	-	-
Amounts paid to third parties in respect of Directors' services	41,294	39,706
	<u>41,294</u>	<u>39,706</u>

**5. Employees**

There were no staff costs in the current or prior year, excluding for directors' emoluments paid to third parties as included in note 4. The only employees of the Company are the directors.

**6. Taxation**

The tax assessed for the year differs from the standard rate of corporation tax in the United Kingdom. The differences are explained below:

	2019 £	2018 £
Loss on ordinary activities before taxation	(92,529)	(98,597)
	<u>2019 £</u>	<u>2018 £</u>
Loss on ordinary activities at the standard rate of corporation tax in the UK of 19% (2018: 19%)	(17,581)	(18,733)
Expenses not deductible for tax purposes	-	-
Losses carried forward against future trading	17,581	18,733
	<u>-</u>	<u>-</u>
Tax charge for the year	-	-

**Notes to the Financial Statements for the year ended 31 March 2019 (Continued)**

The Company has losses carried forward of approximately £2,368,950 (2018: £2,326,259) to offset future taxable profits, subject to HMRC approval. The potential deferred tax asset has not been recognised due to uncertainty over the timing and extent of the relief.

**7. Investment in joint venture**

	£
<i>Cost</i>	
As at 1 April 2018	-
Additions during the year	98,314
Transfer from work-in-progress	36,731
<b>As at 31 March 2019</b>	<b><u>135,045</u></b>

The undertaking, in which the company's interest at the year end is 20% or more, was MirrorProjection LLP, incorporated on 26 July 2018. The company is a joint member in the LLP and its investment constitutes a joint venture under FRS 102.

The principal activity of the LLP is that of the provision of light and visual projection and display goods and services for medical training, education, entertainment, and other purposes. The LLP was formed to exploit a project in development by the Company. Work in progress totalling £36,731 was transferred to Investment in joint venture on formation of the LLP.

At 31 March 2019 the LLP had reserves of £nil and made a loss of £98,313 for the period to 31 March 2019, after drawings and remuneration payable to the members. The Company has committed to capital contributions totalling £160,000 payable to the LLP within two years of formation of the LLP, of which £98,313 was paid during the year.

**8. Investment in films**

	2019 £	2018 £
Brought forward as at 1 April		
Secret Sharer and The Railway Children	184,800	195,000
Repayments – The Railway Children	(2,033)	(3,200)
Impairments – Secret Sharer	-	(7,000)
<b>Carried forward as at 31 March</b>	<b><u>182,767</u></b>	<b><u>184,800</u></b>

Investment in films is valued at the lower of cost and net realisable value. Net realisable value is based on the directors' assessment of the proceeds and royalties receivable by the company in respect of each film, less costs to sell. Due to their nature, these proceeds and royalties are dependent on the success of the film upon release and can take an extended period to realise the full expected value.

The directors have reviewed the net realisable value at the balance sheet date, based on forecasts and projections received from advisors, guarantees made and screenings to date. Following this review the directors have reduced the carrying value to their best estimate of net realisable value.

**Notes to the Financial Statements for the year ended 31 March 2011 (Continued)**

It should be noted that whilst the directors are confident of achieving a sufficient level of proceeds and royalties, this is dependent on the success of the film project in the market.

**9. Work-in-progress**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Brought forward as at 1 April	138,681	157,180
Additions	-	19,001
Impairments – Axeman’s Jazz	(31,000)	-
Impairments – Coram’s Children	-	(37,500)
Transfer to Investment in joint venture	(36,731)	-
	<u>70,950</u>	<u>138,681</u>
Carried forward as at 31 March	<u>70,950</u>	<u>138,681</u>

Work in progress is valued at the lower of cost and net realisable value. Net realisable value is based on the directors’ assessment of the proceeds and royalties receivable by the company in respect of each project, less costs to sell. Due to their nature, these proceeds and royalties are dependent on the success of the film project upon release and can take an extended period to realise the full expected value.

**10. Debtors**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Amounts falling due within 1 year:		
Unpaid share capital	2	2
Trade debtors	-	-
Accrued income	93	121
VAT	5,265	8,550
	<u>5,360</u>	<u>8,673</u>

**11. Creditors: amounts falling due within 1 year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	-	18,847
Accruals and deferred income	24,971	23,024
	<u>24,971</u>	<u>41,871</u>

**12. Financial instruments**

Financial assets measured at amortised cost comprise cash, film investments, work in progress, trade debtors, unpaid share capital, accrued income and VAT. There are no financial assets measured at fair value through the profit or loss and the difference between the carrying value and market value of these assets is immaterial. Financial liabilities measured at amortised cost comprise trade creditors and accruals and deferred income.

**Notes to the Financial Statements for the year ended 31 March 2019 (Continued)**

Information regarding the group's exposure to and management of credit risk, liquidity risk, market risk, cash flow interest rate risk, and foreign exchange risk is included in the Directors' report.

**13. Called up share capital**

	2019 £	2018 £
<b>Allotted and called up share capital</b>		
3,121,420 ordinary shares of 50p each	1,560,710	1,560,710

**14. Earnings per ordinary share**

Earnings per ordinary share have been calculated using the weighted average number of shares in issue during the relevant financial period. The weighted average number of shares in issue is 3,121,420 (2018: 3,121,420) and the loss on ordinary activities after taxation is £92,529 (2018: £98,597 loss). There is no difference between the basic or diluted earnings per share.

**15. Related party transactions**

Mr R Lywood is a director of Animatrix Limited, a company from which directors' fees of £12,000 (2018: £12,000) were charged during the year and fees of £nil (2018: £nil) were accrued at the year end. The Company was also charged £1,992 (2018: £nil) during the year from Animatrix Capital LLP, a company connected to Mr R Lywood.

Mr J D'Morais is a director of Blue Dolphin Film & Video, a company to which directors' fees of £12,000 (2018: £12,000) and expenses of £740 (2018: £624) were paid during the year.

Mrs J Palau is a director of Tusk Productions Limited, a company which directors' fees of £12,000 (2018: £12,000) were paid during the year. Directors' fees of £3,000 (2018: £3,000) were accrued at the year end.

Mr Colin Luke received directors' fees of £5,294 (2018: £5,294) and a balance of £2,647 was accrued at the year end (2018: £nil).

Certain directors have provided guarantees to the Company totalling €200,000, which would be called should the Company not recoup all funds from the Secret Sharer film project. These guarantees are considered within the definition of Net Realisable Value.

Secret Sharer Sp z.o.o. ("Secret Sharer"), a company incorporated in Poland, has previously entered into an agreement with the Company as co-producer on the Secret Sharer film project ("Film"). Secret Sharer received a financing grant of €500,000 from PISF (Polski Instytut Sztuki Filmowej), which is only repayable by Secret Sharer once all other funders have recouped their investment in the Film. At the balance sheet date, the directors consider £nil (2018: £nil) was repayable to Secret Sharer.