

Company Registration No. 10533646 (England and Wales)

Frankenstein Productions (Pen and Raincloud) Two Limited

**Annual report and financial statements
for the period ended 20 June 2017**

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Frankenstein Productions (Pen and Raincloud) Two Limited

Company information

Directors	Mr Thomas Urbye	(Appointed 20 December 2016)
	Mr David Tanner	(Appointed 20 December 2016)
	Ms Tracey Scoffield	(Appointed 20 December 2016)
	Mr Neil Forster	(Appointed 20 December 2016)
	Mr Harry Eastwood	(Appointed 20 December 2016)

Company number	10533646
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Registered office	9A Dallington Street London EC1V 0BQ
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Independent auditors	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
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Frankenstein Productions (Pen and Raincloud) Two Limited

Contents

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditors' report	4 - 6
Income statement	7
Statement of financial position	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11 - 17

Frankenstein Productions (Pen and Raincloud) Two Limited

Strategic report

For the period ended 20 June 2017

The directors present the strategic report for the period ended 20 June 2017.

Fair review of the business

During the period the company was involved in the production of a television programme. The company incurred a profit after tax of £30,661 during the period and at the period end had net assets of £30,662.

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

The directors consider the company's key financial performance indicator to be whether the television programme is completed in line with the production budget. At the period end the estimated total cost was within the budget, and the company continues to receive funding.

The directors consider the company's key non-financial performance indicator to be whether the television programme is certified as British. This has been achieved, as the television programme is not yet complete, and has been awarded a Interim British High-end Television Programme Certificate.

On behalf of the board

..........

Mr David Tanner

Director

..12/10/17..

Frankenstein Productions (Pen and Raincloud) Two Limited

Directors' report

For the period ended 20 June 2017

The directors present their annual report and financial statements for the period ended 20 June 2017.

The company was incorporated on 20 December 2016 and began trading the same day.

Principal activities

The principal activity of the company in the period was that of television programme production.

Directors

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

Mr Thomas Urbye	(Appointed 20 December 2016)
Mr David Tanner	(Appointed 20 December 2016)
Ms Tracey Scoffield	(Appointed 20 December 2016)
Mr Neil Forster	(Appointed 20 December 2016)
Mr Harry Eastwood	(Appointed 20 December 2016)

Results and dividends

The results for the period are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditors

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

Frankenstein Productions (Pen and Raincloud) Two Limited

Directors' report (continued)

For the period ended 20 June 2017

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:


- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

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

On behalf of the board


.....
Mr David Tanner
Director
12/10/17
.....

Frankenstein Productions (Pen and Raincloud) Two Limited

Independent auditors' report

To the members of Frankenstein Productions (Pen and Raincloud) Two Limited

Opinion

We have audited the financial statements of Frankenstein Productions (Pen and Raincloud) Two Limited (the 'company') for the period ended 20 June 2017 set out on pages 7 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 20 June 2017 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.

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.

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 Auditors' 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.

Frankenstein Productions (Pen and Raincloud) Two Limited

Independent auditors' report (continued)

To the members of Frankenstein Productions (Pen and Raincloud) Two Limited

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 our audit:

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the 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 the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 - 3, 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 determine 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.

Frankenstein Productions (Pen and Raincloud) Two Limited

Independent auditors' report (continued)

To the members of Frankenstein Productions (Pen and Raincloud) Two Limited

Auditors' 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 on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



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

13/10/17

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Frankenstein Productions (Pen and Raincloud) Two Limited

Income statement

For the period ended 20 June 2017

		Period ended 20 June 2017 £
	Notes	
Turnover	3	6,264,285
Cost of sales		(7,768,620)
		<hr/>
Gross loss		(1,504,335)
 Administrative expenses		 (12,000)
Other operating income		53,308
		<hr/>
Loss before taxation		(1,463,027)
 Taxation	 6	 1,493,688
		<hr/>
Profit for the financial period		30,661
		<hr/> <hr/>


The income statement has been prepared on the basis that all operations are continuing operations.

Frankenstein Productions (Pen and Raincloud) Two Limited

**Statement of financial position
As at 20 June 2017**

	Notes	£	2017 £
Current assets			
Debtors	7	1,612,956	
Cash at bank and in hand		685,330	
		<u>2,298,286</u>	
Creditors: amounts falling due within one year	8	(2,267,624)	
		<u></u>	
Net current assets			<u>30,662</u>
Capital and reserves			
Called up share capital	9		1
Profit and loss reserves			<u>30,661</u>
Total equity			<u>30,662</u>

The financial statements were approved by the board of directors and authorised for issue on 12/10/17 and are signed on its behalf by:


.....

Mr David Tanner
Director

Company Registration No. 10533646

Frankenstein Productions (Pen and Raincloud) Two Limited

**Statement of changes in equity
For the period ended 20 June 2017**

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Period ended 20 June 2017:				
Profit and total comprehensive income for the period		-	30,661	30,661
Issue of share capital	9	<u>1</u>	<u>-</u>	<u>1</u>
Balance at 20 June 2017		<u><u>1</u></u>	<u><u>30,661</u></u>	<u><u>30,662</u></u>

Frankenstein Productions (Pen and Raincloud) Two Limited

**Statement of cash flows
For the period ended 20 June 2017**

	Notes	£	2017 £
Cash flows from operating activities			
Cash generated from/(absorbed by) operations	13		685,329
Net cash used in investing activities			-
Financing activities			
Proceeds from issue of shares		1	
Net cash generated from/(used in) financing activities			1
Net increase in cash and cash equivalents			685,330
Cash and cash equivalents at beginning of period			-
Cash and cash equivalents at end of period			685,330

Frankenstein Productions (Pen and Raincloud) Two Limited

Notes to the financial statements For the period ended 20 June 2017

1 Accounting policies

Company information

Frankenstein Productions (Pen and Raincloud) Two Limited is a private company limited by shares incorporated in England and Wales. The registered office is 9A Dallington Street, London, EC1V 0BQ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

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

These financial statements for the period ended 20 June 2017 are the first financial statements of Frankenstein Productions (Pen and Raincloud) Two Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements have been prepared for the period from 20 December 2016 to 20 June 2017. This is to coincide with the stage of completion of the project.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

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

1.4 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Frankenstein Productions (Pen and Raincloud) Two Limited

Notes to the financial statements (continued)

For the period ended 20 June 2017

1 Accounting policies (continued)

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

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

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Frankenstein Productions (Pen and Raincloud) Two Limited

Notes to the financial statements (continued) For the period ended 20 June 2017

1 Accounting policies (continued)

1.7 Taxation

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

Current tax

The tax currently recoverable is based on relievable losses arising in the year as the result of high-end television programmes tax relief legislation. Relievable losses differ from net losses as reported in the profit and loss account because they include an additional deduction relating to qualifying television programme development expenditure and exclude items of income or expense that are taxable or deductible in other years, as well as items that are never taxable or deductible. The company's tax position is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions or at the most appropriate average rate over the period in which the transactions were incurred. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

1.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Frankenstein Productions (Pen and Raincloud) Two Limited

Notes to the financial statements (continued)
For the period ended 20 June 2017

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2017 £
Turnover	
Sale of rights	6,233,625
Production service fee	30,660
	<u>6,264,285</u>

4 Operating loss

Operating loss for the period is stated after charging:

Fees payable to the company's auditors for the audit of the company's financial statements	2017 £ 7,500
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5 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	2017 Number
Production	59

Their aggregate remuneration comprised:

	2017 £
Wages and salaries	646,399
Social security costs	68,099
	<u>714,498</u>

Frankenstein Productions (Pen and Raincloud) Two Limited

Notes to the financial statements (continued)
For the period ended 20 June 2017

6 Taxation

	2017
	£
Current tax	
UK corporation tax on profits for the current period	(1,493,688)

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

	2017
	£
Loss before taxation	(1,463,027)
Expected tax credit based on the standard rate of corporation tax in the UK of 20.00%	(292,605)
Enhanced losses arising from the film tax credit	(1,196,673)
Difference between the rate of corporation tax and the rate of relief under the film tax credit	(298,738)
Losses surrendered	294,328
Taxation credit for the period	(1,493,688)

7 Debtors

	2017
	£
Amounts falling due within one year:	
Corporation tax recoverable	1,493,688
Other debtors	110,564
Prepayments and accrued income	8,704
	1,612,956

Frankenstein Productions (Pen and Raincloud) Two Limited

Notes to the financial statements (continued)

For the period ended 20 June 2017

8 Creditors: amounts falling due within one year

	2017
	£
Trade creditors	194,626
Amounts due to group undertakings	1,233,915
Other taxation and social security	105,426
Other creditors	117,841
Accruals and deferred income	615,816
	<hr/>
	2,267,624
	<hr/>

9 Share capital

	2017
	£
Ordinary share capital	
Issued and fully paid	
100 Ordinary shares of 1p each	1
	<hr/>
	<hr/>

Each ordinary share has full voting, dividend and capital distribution (including on winding up) rights attached to it.

10 Financial commitments, guarantees and contingent liabilities

Pen and Raincloud Television Limited holds a fixed and floating charge over Frankenstein Productions (Pen and Raincloud) Two Limited with respect to all of the rights, title and interest in the programme entitled "The Frankenstein Chronicles - Series 2".

Northern Ireland Screen Commission holds a fixed and floating charge over Frankenstein Productions (Pen and Raincloud) Two Limited with respect to all of the rights, title and interest in the programme entitled "The Frankenstein Chronicles - Series 2".

Frankenstein Productions (Pen and Raincloud) Two Limited

Notes to the financial statements (continued) For the period ended 20 June 2017

11 Related party transactions

The company has taken advantage of the exemption under paragraph 33.1a of FRS 102 from disclosing transactions entered into between two or more members of a group, where any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group.

During the period, £666,127 relating to production costs was paid to Rainmark Films Limited, a company of which David Tanner and Tracey Scofield are directors. At the period end, there was a balance of £60,000 outstanding.

During the period, £9,450 was paid to Frankenstein Films Two Limited, a company of which David Tanner and Tracey Scofield are directors. At the period end, there was no balance outstanding.

12 Controlling party

The company's immediate parent company is Pen and Raincloud Television Limited, a company registered in England and Wales.

13 Cash generated from operations

	2017 £
Profit for the period after tax	30,661
Adjustments for:	
Taxation credited	(1,493,688)
Movements in working capital:	
(Increase) in debtors	(119,268)
Increase in creditors	2,267,624
Cash generated from/(absorbed by) operations	<u>685,329</u>