

COMPANY REGISTRATION NUMBER: 10662995

CT Films Limited
Financial Statements
31 March 2018

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CT Films Limited

Financial Statements

Period from 10 March 2017 to 31 March 2018

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CT Films Limited

Strategic Report

Period from 10 March 2017 to 31 March 2018

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the period was the development and production of theatrical feature films.

During the period the company commenced production of a film entitled "Hellboy". At the period end the film was incomplete. The directors anticipate formal delivery during the forthcoming period.

GOING CONCERN

The directors have undertaken a rigorous assessment of whether the company was a going concern when the accounts were prepared, considering all available information about the future, covering a period of 12 months from the date of the approval of the accounts.

The directors are not aware of any material uncertainty arising from their assessment that would cast doubt on the company's ability to continue as a going concern.

A detailed budget and cashflow have been prepared for the production and delivery of the film. Funds to meet the cashflow requirements are contractually in place and the directors do not anticipate any material overspend. The directors are therefore satisfied that the going concern assumption remains appropriate.

PRINCIPAL RISKS AND UNCERTAINTIES

The business of film production is subject to a number of risks. The film industry is a volatile industry susceptible to changes in the global economy, as well as changes in legislation, regulation and government policy which may affect the industry. Any of these may adversely affect consumer demand for films or the ability to successfully finance or market films.

KEY PERFORMANCE INDICATORS

The company was incorporated solely to produce the film 'Hellboy'. Given this and the nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

This report was approved by the board of directors on 25/2/2019 and signed on behalf of the board by:



T Short
Director

CT Films Limited

Directors' Report

Period from 10 March 2017 to 31 March 2018

The directors present their report and the financial statements of the company for the period ended 31 March 2018.

Incorporation

The company was incorporated on 10 March 2017 in the United Kingdom.

Directors

The directors who served the company during the period were as follows:

A Lerner	(Appointed 10 March 2017)
T R J Short	(Appointed 10 March 2017)

Dividends

The directors do not recommend the payment of a dividend.

Future developments

The commercial environment is expected to remain competitive in the coming period.

Financial instruments

The Company's principal financial instruments comprise bank balances, loans, trade creditors and trade debtors. The main purpose of these instruments is to raise funds for the company's operations and to finance the company's operations.

Due to the nature of the financial instruments used by the company, there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a balance sufficient to meet the funds required for the company's operations. The company makes use of money market facilities where funds are available.

Trade debtors are managed in respect of credit and cash flow risk by ensuring that amounts due are received in a timely manner.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Overseas branches

The company was incorporated in the United Kingdom and has no overseas branches.

Disclosure of information in the strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, various matters previously dealt with in the Directors' Report are now included in the Strategic Report.

CT Films Limited

Directors' Report *(continued)*

Period from 10 March 2017 to 31 March 2018

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial period. 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 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 judgments 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 25/2/2019 and signed on behalf of the board by:


T Short
Director

CT Films Limited

Independent Auditor's Report to the Members of CT Films Limited

Period from 10 March 2017 to 31 March 2018

Opinion

We have audited the financial statements of CT Films Limited (the 'company') for the period ended 31 March 2018 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes, 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 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 31 March 2018 and of its result for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

CT Films Limited

Independent Auditor's Report to the Members of CT Films Limited *(continued)*

Period from 10 March 2017 to 31 March 2018

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 the 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 or the directors' 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.

CT Films Limited

Independent Auditor's Report to the Members of CT Films Limited *(continued)*

Period from 10 March 2017 to 31 March 2018

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

CT Films Limited

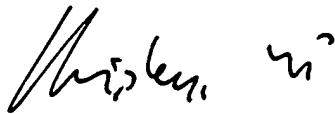
Independent Auditor's Report to the Members of CT Films Limited *(continued)*

Period from 10 March 2017 to 31 March 2018

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

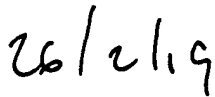
Use of our report

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.



Stephen Joberns (Senior Statutory Auditor)

For and on behalf of
Shipleys LLP
Chartered accountants & statutory auditor
10 Orange Street
Haymarket
London
WC2H 7DQ



CT Films Limited

Statement of Comprehensive Income

Period from 10 March 2017 to 31 March 2018

		Period from 10 Mar 17 to 31 Mar 18
	Note	£
Turnover	4	-
Cost of sales		-
Gross profit		-
Tax on profit		-

All the activities of the company are from continuing operations.

The notes on pages 12 to 14 form part of these financial statements.

CT Films Limited

Statement of Financial Position

31 March 2018

	Note	31 Mar 18 £
Current assets		
Stocks	5	26,974,016
Debtors	6	1,480,543
Cash at bank and in hand		19,194
		<u>28,473,753</u>
Creditors: amounts falling due within one year	7	28,473,743
Net current assets		<u>10</u>
Total assets less current liabilities		<u>10</u>
Net assets		<u>10</u>
Capital and reserves		
Called up share capital	8	10
Shareholders funds		<u>10</u>

These financial statements were approved by the board of directors and authorised for issue on 25/2/2019, and are signed on behalf of the board by:

T Short
Director



Company registration number: 10662995

The notes on pages 12 to 14 form part of these financial statements.

CT Films Limited

Statement of Changes in Equity

Period from 10 March 2017 to 31 March 2018

	Called up share capital £	Profit and loss account £	Total £
Profit for the period		—	—
Issue of shares	10	—	10
	<u>10</u>	<u>—</u>	<u>10</u>
Total investments by and distributions to owners	10	—	10
	<u>10</u>	<u>—</u>	<u>10</u>
At 31 March 2018	10	—	10

The notes on pages 12 to 14 form part of these financial statements.

CT Films Limited

Statement of Cash Flows

Period from 10 March 2017 to 31 March 2018

	31 Mar 18 £
Cash flows from operating activities	
Profit for the financial period	–
<i>Adjustments for:</i>	
Accrued expenses	28,431,683
<i>Changes in:</i>	
Stocks	(26,974,016)
Trade and other debtors	(1,480,543)
Trade and other creditors	42,060
Cash generated from operations	19,184
Net cash from operating activities	19,184
Cash flows from financing activities	
Proceeds from issue of ordinary shares	10
Net cash from financing activities	10
Net increase in cash and cash equivalents	19,194
Cash and cash equivalents at beginning of period	–
Cash and cash equivalents at end of period	19,194

The notes on pages 12 to 14 form part of these financial statements.

CT Films Limited

Notes to the Financial Statements

Period from 10 March 2017 to 31 March 2018

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 10 Orange Street, Haymarket, London, WC2H 7DQ, United Kingdom.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Significant estimation technique adopted

Accruals are estimated by reference to purchase orders raised at the period end and estimates to complete. Payments received on account are estimated by reference to percentage of completion of the television production, as noted in "Turnover" above.

Comparatives

The accounts cover the period from incorporation through to 31 March 2018, hence there are no comparative figures.

The accounting period has been extended to ensure that the accounting period and tax credit claim is conterminous.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying small entity as defined in FRS 102. As such, advantage has been taken of the following disclosure exemptions available under section 1A of FRS 102:

(a) No cash flow statement has been presented for the company. (b) Disclosures in respect of financial instruments have not been presented.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

CT Films Limited

Notes to the Financial Statements *(continued)*

Period from 10 March 2017 to 31 March 2018

3. Accounting policies *(continued)*

Revenue recognition

Turnover relates to the production of the film "Hellboy". It represents the value of the work done in the period, including estimates of amounts not invoiced and is stated after trade discounts, other taxes and net of VAT.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

4. Turnover

There is no material difference between the geographical origin and destination of the supply underlying the turnover figure.

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Stocks

	31 Mar 18
	£
Work in progress	26,974,016

6. Debtors

	31 Mar 18
	£
VAT recoverable	610,635
Other debtors	869,908
	<u>1,480,543</u>

CT Films Limited

Notes to the Financial Statements *(continued)*

Period from 10 March 2017 to 31 March 2018

7. Creditors: amounts falling due within one year

	31 Mar 18
	£
Accruals and deferred income	28,431,683
Social security and other taxes	39,373
Production loan	2,687
	<u>28,473,743</u>

8. Called up share capital

Issued, called up and fully paid

	31 Mar 18	
	No.	£
Ordinary shares of £1 each	<u>10</u>	<u>10</u>

9. Contingent liabilities

Charges have been made against the film in favour of the following parties to secure their interests in the copyright of and title to the film:

Comerica Bank, a Texas Banking Association

10. Related party transactions

The company was under the control of A&T IP Inc throughout the period.

The company has taken advantage of Section 33 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.

No transactions with related parties were undertaken such as are required to be disclosed under FRS 102.

11. Controlling party

In the opinion of the directors the parent undertaking and controlling party is A&T Media Inc, a company incorporated in the United States of America. A&T Media Inc is the parent undertaking of the largest and smallest group for which group accounts are drawn up and of which the company is a member.