

Registration number 7821062

EQ Pictures Limited

Annual Report and Financial Statements
for the Year Ended 21 February 2018

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EQ Pictures Limited

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EQ Pictures Limited

Director's Report for the Year Ended 21 February 2018

The report and the financial statements for the year ended 21 February 2018

Principal activity

The principal activity of the Company continues to be the development and production of theatrical feature films.

Director of the company

The Directors, who held office during the year, were as follows:

Matthew Justice

Nira Park (resigned 1 August 2018)

Director's liabilities

The Directors benefit from third party insurance provisions in place during the financial year and at the date of this report.

Dividends

The Director recommends a final dividend payment of £Nil be made in respect of the financial year ended 21 February 2018 (2017: £Nil).

Fair review of the business

The results for the Company show a loss for the year of £2,739 (2017: £2,728). At the statement of financial position date the Company had net assets of £5,634 (2017: £8,373).

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operation for at least twelve months from the date of this report. Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements (see note 1).

Disclosure of information to the auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each Director has taken all the 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.

Reappointment of auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Small companies provision statement

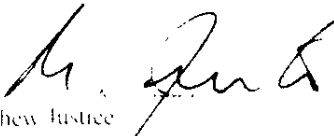
This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

EQ Pictures Limited

Director's Report for the Year Ended 21 February 2018

Registered office
2 Waterhouse Square
140 Holborn
London
EC1N 2MT

Approved by the director on **21/09/18** and signed on its behalf by


Matthew Justice
Director

EQ Pictures Limited

Statement of Director's Responsibilities

The Directors are responsible for preparing the 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 year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including FRS 101 'Reduced Disclosure Framework'.

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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report To The Members Of EQ Pictures Limited

Opinion

We have audited the financial statements of EQ Pictures Limited (the 'Company') for the year ended 21 February 2018, which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 21 February 2018 and of its loss for the year then ended,
- have been properly prepared in accordance with UK accounting standards (including FRS 101 Reduced Disclosure Framework), 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

The Directors are responsible for the Directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Directors' report
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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; or
- the Directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Independent Auditor's Report To The Members Of EQ Pictures Limited

Directors' responsibilities

As explained more fully in their statement set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

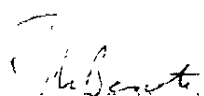
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



John Bennett (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London
E14 5GL

Date 25/9/12

EQ Pictures Limited

Income Statement for the Year Ended 21 February 2018

	Note	2018 £	2017 £
Administrative expenses		<u>(2,325)</u>	<u>(2,245)</u>
Operating loss		(2,325)	(2,245)
Interest payable and similar expenses	3	<u>(414)</u>	<u>(483)</u>
Loss before tax		(2,739)	(2,728)
Tax on loss on ordinary activities	7	<u>-</u>	<u>-</u>
Loss for the year		<u><u>(2,739)</u></u>	<u><u>(2,728)</u></u>

The above results were derived from continuing operations.

The Company has no recognised gains or losses for the year other than the above.

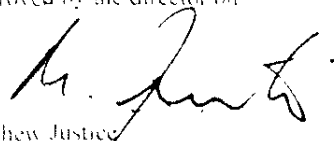
EQ Pictures Limited

(Registration number: 7821062)

Statement of Financial Position as at 21 February 2018

	Note	2018 £	2017 £
Current assets			
Trade and other receivables	8	5,432	11,946
Cash and cash equivalents	9	202	742
		<u>5,634</u>	<u>12,688</u>
Current liabilities			
Trade and other payables	10	-	(4,315)
Net assets		<u>5,634</u>	<u>8,373</u>
Capital and reserves			
Share capital	11	100	100
Retained earnings		<u>5,534</u>	<u>8,273</u>
		<u>5,634</u>	<u>8,373</u>

Approved by the director on 21/09/18


Matthew Justice
Director

EQ Pictures Limited

Statement of Changes in Equity for the Year Ended 21 February 2018

	Share capital £	Retained earnings £	Total £
At 22 February 2017	100	8,273	8,373
Loss for the year	-	(2,739)	(2,739)
At 21 February 2018	100	5,534	5,634

	Share capital £	Retained earnings £	Total £
At 22 February 2016	100	11,101	11,101
Loss for the year	-	(2,728)	(2,728)
At 21 February 2017	100	8,273	8,373

EQ Pictures Limited

Notes to the Financial Statements for the Year Ended 21 February 2018

1 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

EQ Pictures Limited (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 7821062 and the registered address is 2 Waterhouse Square, 140 Holborn, London EC1N 2AF.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS101 (2014-15 Cycle) issued in July 2015 have been applied.

In preparing these financial statements the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as disclosed by the EU ("Adopted IFRS") but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Summary of disclosure exemptions

The Company is taking advantage of the following disclosure exemptions under FRS 101:

- A Cash Flow Statement and related notes
- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment properties
- Disclosures in respect of transactions with wholly owned subsidiaries
- Disclosures in respect of capital management
- The effects of new but not yet effective IFRSs
- Disclosures in respect of the compensation of Key Management Personnel
- Disclosures of transactions with a management entity that provides key management personnel services to the Company, and
- Disclosures in respect of goodwill, or intangibles with an indefinite life

As the consolidated financial statements of EEV plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures

The Company proposes to continue to apply the reduced disclosure framework of FRS 101 in its next financial statements.

EQ Pictures Limited

Notes to the Financial Statements for the Year Ended 21 February 2018

1 Accounting policies (continued)

Going Concern

The Company participates in the Group's intra-group cash pool policy. The pool applies to bank accounts where there is an unconditional right of set off and involves the daily closing cash position for participating subsidiaries whether positive or negative being cleared to £Nil via daily bank transfers to / from HV plc. The Company is therefore dependent on HV plc for its funding. The Directors of the Company have no reason to believe that this financial support will not be forthcoming in the event that it is required. On this basis, and on their assessment of the Company's financial position, the Directors have a reasonable expectation that the Company has adequate resources to continue in operation for at least twelve months from the date of this report. Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements.

Amounts due (to) / from group undertakings

The Company participates in an intra-group cash pool policy with other 100% owned UK subsidiaries of the HV Group. The pool applies to bank accounts where there is an unconditional right of set off and involves the daily closing cash position for participating subsidiaries whether positive or negative being cleared to £Nil via daily bank transfers to / from HV plc. These daily transactions create a corresponding intercompany creditor or debtor which can result in significant movements in amounts owed to and from subsidiary undertakings in the Company statement of financial position.

Tax

The tax charge for the period is recognised in the income statement, the statement of comprehensive income and directly in equity, according to the accounting treatment of the related transaction. The tax charge comprises both current and deferred tax. The calculation of the Company's tax charge involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be fully determined until a resolution has been reached by the relevant tax authority.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year and any adjustment in respect of previous years.

The Company recognises liabilities for anticipated tax issues based on estimates of the additional taxes that are likely to become due, which require judgement. Amounts are accrued based on management's interpretation of specific tax law and the likelihood of settlement. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions in the period in which such determination is made.

Deferred tax arises due to certain temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and those for taxation purposes. The following temporary differences are not provided for:

- the initial recognition of goodwill;
- the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and
- differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities. Deferred tax is calculated using tax rates that are enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that sufficient taxable profit will be available to utilise the temporary difference. Recognition of deferred tax assets therefore involves judgement regarding the timing and level of future taxable income.

EQ Pictures Limited

Notes to the Financial Statements for the Year Ended 21 February 2018

1 Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits with a maturity of less than or equal to three months from the date of acquisition, cash held to meet certain finance lease commitments. The carrying value of cash and cash equivalents is considered to approximate fair value.

Trade receivables

Trade receivables are recognised initially at the value of the invoice sent to the customer and subsequently at the amounts considered recoverable (amortised cost). Where payments are not due for more than one year, they are shown in the financial statements at their net present value to reflect the economic cost of delayed payment. The Company provides goods and services to substantially all its customers on credit terms.

Estimates are used in determining the level of receivables that will not, in the opinion of the Directors, be collected. These estimates include such factors as historical experience, the current state of the UK and overseas economies and industry specific factors. A provision for impairment of trade receivables is established when there is sufficient evidence that the Company will not be able to collect all amounts due.

Trade payables

Trade payables are recognised at the value of the invoice received from a supplier. The carrying value of current and non-current trade payables is considered to approximate fair value.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is neutral, the initial measurement is on a present value basis.

2 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements often requires management to make judgements, 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. For the current year, there were no significant judgements that require disclosure.

3 Interest payable and similar expenses

	2018 £	2017 £
Interest on bank overdrafts and borrowings	390	401
Interest payable to group undertakings	24	82
	<u>414</u>	<u>483</u>

4 Staff costs

There were no employees and hence no staff costs during the year (2017: £Nil).

EQ Pictures Limited

Notes to the Financial Statements for the Year Ended 21 February 2018

5 Directors' remuneration

The Directors were remunerated by other ETV plc Group companies. The Directors received no remuneration in respect of their qualifying services to the Company (2017: £Nil).

6 Auditor's remuneration

	2018 £	2017 £
Audit of the financial statements	<u>2,120</u>	<u>2,120</u>

Amounts paid to the Company's auditor in respect of services to the Company other than the audit of the Company's financial statements, have not been disclosed as the information is required to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent ETV plc.

7 Taxation

Tax charged (credited) in the income statement

	2018 £	2017 £
Current taxation		
UK corporation tax	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Total current income tax	-	-
Deferred taxation		
Total deferred taxation	<u>-</u>	<u>-</u>
Tax expense (receipt) in the income statement	<u>-</u>	<u>-</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2017 - lower than the standard rate of corporation tax in the UK) of 19.1% (2017 - 20%).

The differences are reconciled below:

	2018 £	2017 £
Loss before tax	<u>(2,739)</u>	<u>(2,728)</u>
Corporation tax at standard rate of 19.1% (2017 - 20%)	(523)	(546)
Group relief surrendered	<u>523</u>	<u>546</u>
Total tax charge (credit)	<u>-</u>	<u>-</u>

EQ Pictures Limited

Notes to the Financial Statements for the Year Ended 21 February 2018

7 Taxation (continued)

The Finance Act 2015 provides for a reduction in the main rate of corporation tax from 20% to 19% from 1 April 2017. The Finance Act 2016, which was substantively enacted on 6 September 2016, provides for a reduction in the main rate of corporation tax to 17% from 1 April 2020 (this supersedes the reduction to 18% which was provided for in the Finance Act 2015). These rate reductions have been reflected in the calculation of deferred tax at the statement of financial position date.

Deferred tax

There are £149,388 of unused tax losses (2017 - £149,388) to which no deferred tax asset is recognised in the statement of financial position.

8 Trade and other receivables

	2018 £	2017 £
Amounts due from group undertakings	5,322	11,946
Other receivables	110	-
	<u>5,432</u>	<u>11,946</u>

Included in amounts due from group undertakings are amounts of £5,322 (2017 - £Nil) which relate to balances associated with the ETV plc group treasury pooling arrangements. This balance is repayable on demand and attracts interest of 0.5% above base rate per annum.

Included in amounts due from group undertakings is an amount of £Nil (2017 - £11,946) which represents intercompany trading, has no associated interest and is repayable on demand.

The carrying value of trade receivables is considered to approximate fair value.

9 Cash and cash equivalents

	2018 £	2017 £
Cash at bank	<u>202</u>	<u>742</u>

10 Trade and other payables

	2018 £	2017 £
Amounts due to group undertakings	<u>-</u>	<u>4,315</u>

Included in amounts due to group undertakings are amounts of £Nil (2017 - £4,315) which relate to balances associated with the ETV plc group treasury pooling arrangements. This balance is repayable on demand and attracts interest of 0.5% above base rate per annum.

The carrying value of trade payables is considered to approximate fair value.

EQ Pictures Limited

Notes to the Financial Statements for the Year Ended 21 February 2018

11 Share capital

Alotted, called up and fully paid

	No.	2018 £	No.	2017 £
Ordinary shares of £1 each	100	100	100	100

12 Contingent liabilities

Under a Group registration the Company is jointly and severally liable for the VAT at 21 February 2018 of £45 million (2017: £47 million)

13 Parent of group in whose consolidated financial statements the Company is consolidated

The name of the parent of the group in whose consolidated financial statements the Company's financial statements are consolidated is ETV plc.

These financial statements are available upon request from 2 Waterhouse Square, 140 Holborn, London EC1N 2AF

14 Parent and ultimate parent undertaking

The Company's immediate parent is Big Talk Pictures Limited

The ultimate parent is ETV plc. ETV plc is incorporated in the UK

The most senior parent entity producing publicly available financial statements is ETV plc. These financial statements are available upon request from 2 Waterhouse Square, 140 Holborn, London EC1N 2AF

The ultimate controlling party is ETV plc