

Company Registration No. 03863614

Flame Television Production Limited

Report and Financial Statements

18 month period ended 30 June 2013



Flame Television Production Limited

Report and financial statements 2013

Contents	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	4
Independent auditor's report	5
Profit and loss account	7
Balance sheet	8
Notes to the accounts	9

Flame Television Production Limited

Report and financial statements 2013

Officers and professional advisers

Directors

R Allen-Turner
J Beresford
J Gregory
J Isaacs
C Meller
J Mowll
G Perkins
J Thoday

Secretary

R Allen-Turner

Registered Office

4a Exmoor Street
London
W10 6BD

Bankers

Royal Bank of Scotland plc
62/63 Threadneedle Street
PO Box 412
London
EC2R 8LA

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
London

Flame Television Production Limited

Directors' report

The directors present their annual report and the audited financial statements for the period from 1 January 2012 to 30 June 2013

This Directors' Report has been prepared in accordance with the special provisions relating to small companies under s418 of the Companies Act 2006

Principal activity

The principal activity of the company in the period under review was that of the production of television programmes

Dividends

Dividends of £400,000 were declared to Avalon Television Limited and dividends of £609,374 were declared to Avalon Factual Holdings Limited in the period (2011 £nil)

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements

Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in the financial statements

Directors

The directors who served throughout the period except as noted were as follows

R Allen-Turner	
B Altounyan	(resigned 2 July 2012)
R Bennett	(resigned 31 March 2013)
J Beresford	
R Bolton	(resigned 2 July 2012)
C Featherstone	(resigned 20 March 2012)
J Gregory	
J Isaacs	(appointed 29 June 2012)
C Meller	(appointed 29 June 2012)
J Mowl	
G Perkins	
J Thoday	

Auditor

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

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

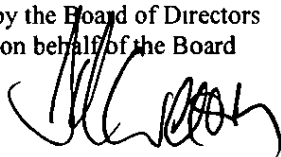
Flame Television Production Limited

Directors' report (continued)

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board
J Gregory

Director



J Gregory 2013

Flame Television Production Limited

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 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- 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 with reasonable accuracy at any time the financial position of the company and to 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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Independent auditor's report to the members of Flame Television Production Limited

We have audited the financial statements of Flame Television Production Limited for the period ended 30 June 2013 which comprise the profit and loss account, the balance sheet and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2013 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

Opinion on matters prescribed by the Companies Act 2006

In our opinion the information in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Flame Television Production Limited (continued)

Matters on which we are required to report by exception

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
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report, or
- we have not received all the information and explanations we require for our audit



James Bates (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
30 December 2013

Flame Television Production Limited

Profit and loss account Period ended 30 June 2013

	Notes	18 months period ended 30 June 2013 £	Year ended 31 December 2011 £
Turnover	2	4,939,683	3,836,880
Cost of sales		(2,895,896)	(2,567,824)
Gross profit		2,043,787	1,269,056
Administrative expenses		(1,533,241)	(669,082)
Operating profit	3	510,546	599,974
Interest receivable and similar income		-	93
Interest payable and similar charges		(25)	(917)
Profit on ordinary activities before taxation		510,521	599,150
Tax on profit on ordinary activities	6	(39,598)	(164,284)
Profit for the financial period		470,923	434,866

There are no recognised gains and losses other than the profit or loss for the period

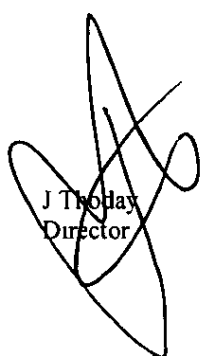
Flame Television Production Limited

Balance sheet 30 June 2013

	Notes	30 June 2013 £	31 December 2011 £
Fixed assets			
Tangible assets	7	34,107	68,982
Current assets			
Debtors	8	230,587	1,208,163
Cash at bank and in hand		1,315,109	936,039
		<u>1,545,696</u>	<u>2,144,202</u>
Creditors: amounts falling due within one year	9	<u>(1,413,230)</u>	<u>(1,508,160)</u>
Net current Asset		<u>132,466</u>	<u>636,042</u>
Total assets less current liabilities		<u>166,573</u>	<u>705,024</u>
Capital and reserves			
Called up share capital	10	150	150
Profit and loss account	11	166,423	704,874
		<u>166,573</u>	<u>705,024</u>
Total equity shareholders' funds		<u>166,573</u>	<u>705,024</u>

The financial statements of Flame Television Production Limited, registered number 3863614 were approved by the Board of Directors on 30th *December* 2013

Signed on behalf of the Board of Directors



J Thoday
Director

Flame Television Production Limited

Notes to the accounts Period ended 30 June 2013

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Basis of accounting

The financial statements are prepared under the historical cost convention.

Going concern

In reaching their decision to prepare the accounts on a going concern basis, the Directors have considered the impact of the current economic climate on both the company and the group of which it is a member.

Having given due consideration to the above factors, the current period result and the anticipated future performance of the Company, taking into account reasonably possible changes in trading performance in light of uncertainty related to current unfavourable economic conditions, the Directors have been able to form a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they adopt the going concern basis in preparing the accounts.

Turnover

Turnover is recognised on the basis of the proportion of the production which has been produced at the balance sheet date, provided principal photography had commenced, net of value added tax. Profit is recognised in accordance with the production schedule, provided that profits can be reasonably foreseen.

Tangible fixed assets

Fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided to write off the cost of tangible fixed assets over their estimated useful economic lives at the following annual rates:

Production equipment	-	25% straight-line
Fixtures and fittings	-	25% straight-line
Computer equipment	-	25% straight-line

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law if these future benefits are considered recoverable. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets and liabilities are not discounted.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Advances

The company receives advances to finance specific projects which are treated as current liabilities. The company takes those advances to the credit of the profit and loss account when the project is taken into production or when it is not expected to progress to production within the foreseeable future.

Flame Television Production Limited

Notes to the accounts Period ended 30 June 2013

1. Account policies (continued)

Work in progress

When pre-production costs have been incurred prior to the main production process, these costs are carried as work in progress in the balance sheet to the extent that they are expected to be covered by a production contract or are recoverable from third parties

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease

Pension costs and other post-retirement benefits

The company operates a pension scheme based on the money purchase principle, which requires contributions to be made to an administered fund held by trustees. Contributions to this fund are charged in the profit and loss account as incurred

Cash flow statement

The Company is exempt from the requirement of FRS 1 (revised 1996) to present a cash flow statement on the basis that it is a subsidiary of Tiverton Holdings Limited whose Group accounts are publicly available

2. Turnover

The turnover and profit (2012 profit) before taxation are attributable to the one principal activity of the company

3. Operating profit

The operating profit is stated after charging

	18 months period ended 30 June 2013 £	Year ended 31 December 2011 £
Depreciation – owned assets	45,875	22,993
Loss on disposal of fixed assets	-	8,312
Fees payable to the Company's auditors for the audit of the Company's annual accounts	6,500	4,000
Fees paid to the Company's auditors for tax services	2,500	-
	<u>179,377</u>	<u>208,004</u>
Directors' remuneration		

Flame Television Production Limited

Notes to the accounts Period ended 30 June 2013

4. Staff costs

	18 months period ended 30 June 2013 £	Year ended 31 December 2011 £
Wages and salaries	722,402	182,989
Social security costs	89,441	25,168
Other pension costs	-	-
	<u>811,843</u>	<u>208,157</u>

The average monthly number of employees during the period was as follows

	18 months period ended 30 June 2013 No	Year ended 31 December 2011 No
Administration	<u>4</u>	<u>6</u>

	18 months period ended 30 June 2013 £	Year ended 31 December 2011 £
Directors' remuneration and other benefits	179,377	208,004
Directors' pension contributions to money purchase schemes	-	-
	<u>179,377</u>	<u>208,004</u>

The highest paid director received £179,377 in total emoluments for the year, including £179,377 remuneration for services to the Company and £nil pension contributions

Flame Television Production Limited

Notes to the accounts Period ended 30 June 2013

5. Interest payable and similar charges

	2013 £	2012 £
Bank interest payable	(25)	-
	<u>(25)</u>	<u>-</u>

6. Taxation

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	18 months period ended 30 June 2013 £	Year ended 31 December 2011 £
Current tax		
UK corporation tax	43,048	162,126
Adjustment in respect of previous periods	(72)	2158
	<u>42,976</u>	<u>164,284</u>
Deferred tax		
Deferred Tax (asset)/liability current year	(3,844)	-
Adjustment in respect of prior periods	433	-
Effect of rate change charged to the P&L	37	-
	<u>39,598</u>	<u>164,284</u>
Tax on profit on ordinary activities	<u>39,598</u>	<u>164,284</u>
Profit on ordinary activities before tax	<u>510,521</u>	<u>599,151</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24.2% (2011: 27.5%)	123,546	158,775
Effects of		
Expenses not deductible	1,626	396
Depreciation in excess of capital allowances	3,972	749
Timing difference		2,206
Group losses received for nil consideration	(86,096)	
Adjustment in respect of prior periods	(72)	2,158
	<u>42,976</u>	<u>164,284</u>
Current tax charge	<u>42,976</u>	<u>164,284</u>

Flame Television Production Limited

Notes to the accounts Period ended 30 June 2013

7 Tangible fixed assets

	Production equipment £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 31 December 2011	117,807	2,284	11,468	131,559
Additions	11,000	-	-	11,000
Disposals	-	-	-	-
At 30 June 2013	<u>128,807</u>	<u>2,284</u>	<u>11,468</u>	<u>142,559</u>
Depreciation				
At 31 December 2011	52,965	1,249	8,363	62,577
Charge for the period	41,782	988	3,105	45,875
Eliminated on disposal	-	-	-	-
At 30 June 2013	<u>94,747</u>	<u>2,237</u>	<u>11,468</u>	<u>108,452</u>
Net book value				
At 30 June 2013	<u>34,060</u>	<u>47</u>	<u>-</u>	<u>34,107</u>
At 31 December 2011	<u>64,842</u>	<u>1,035</u>	<u>3,105</u>	<u>68,982</u>

8 Debtors amounts falling due within one year

	18 months period ended 30 June 2013 £	Year ended 31 December 2011 £
Trade debtors	169	534,483
Other debtors	1,574	-
Prepayments and Accrued income	37,390	673,680
Amounts owed by group undertakings	173,459	-
Deferred tax	3,377	-
Corporation tax	14,618	-
	<u>230,587</u>	<u>1,208,163</u>

Flame Television Production Limited

Notes to the accounts Period ended 30 June 2013

9. Creditors: amounts falling due within one year

	18 months period ended 30 June 2013 £	18 months period ended 30 June 2013£
Trade creditors	26,498	274,134
Other creditors	84	-
Amounts owed to group undertakings	690,233	312,050
Corporation tax	-	105,930
Taxation and social security	164,363	86,354
Accruals and deferred income	532,052	729,692
	<u>1,413,230</u>	<u>1,508,160</u>

A cross guarantee and debenture exists between the company, its ultimate parent company Tiverton 2 Limited and the following group companies Tiverton Holdings Limited, Avalon Entertainment Limited, Avalon Television Limited, Avalon Factual Holdings Limited, Liberty Bell Productions Limited, Topical Television Limited, Tinderbox Television Limited, Avalon Distribution Limited and Avalon Promotions Limited to secure bank overdraft and loan facilities available to these companies

10. Called up share capital

	18 months period ended 30 June 2013£	18 months period ended 30 June 2013£
Allotted, issued and fully paid		
1000 'A' Ordinary shares of £0 10 each	100	100
500 'B' Ordinary shares of £0 10 each	50	50
	<u>150</u>	<u>150</u>

11 Reserves

	Profit and loss account £
At 31 December 2011	704,874
Profit for the period	470,923
Dividends	(1,009,374)
At 30 June 2013	<u>166,423</u>

12. Related party disclosures

The company has taken advantage of the exemption available under FRS 8 not to disclose intra group transactions on the grounds that 100% of the voting rights are controlled within the group and consolidated financial statements including Flame Television Limited are publicly available

Flame Television Production Limited

Notes to the accounts Period ended 30 June 2013

13. Ultimate parent company

As at the period end date the ultimate controlling party is JM Thoday. The largest and smallest group within which the company's financial statements are consolidated is Tiverton Holdings Limited.

Copies of consolidated financial statements can be obtained from Companies House, Crown Way, Mandy, Cardiff CF14 3UZ.