Registered number: NI071206

Financial Statements
360 Production Limited

For the period ended 31 December 2014

Company Information

Directors	Joel Denton John Farren Antony Fraser Mark Wright
Registered Office	Suite 2.2, The Innovation Centre Bay Road Londonderry BT48 7TG
Independent Auditor	Ernst & Young LLP 1 More London Place London SE1 2AF

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Strategic report

For the period ended 31 December 2014

Review of the business

The share capital of the company was acquired by Rare Television Limited as follows: 77.5% on 30th May and 22.5% on 11th September 2014. The accounting reference date changed to 31 December. These accounts therefore relate to the trading period of seven months ended 31 December 2014.

The company's principal activity during the period continued to be that of the production of television programmes containing factual entertainment.

The key financial and other performance indicators performance during the period were as follows:

	7m to 31 December 2014	12m to 31 May 2014	Change
	£	£	%
Turnover	1,343,979	2,129,659	(37)%
Gross profit	721,879	1,374,186	(47)%
Operating (loss)/profit	(176,852)	52,641	
(Loss)/profit after tax	(153,952)	52,893	
Equity shareholder' funds	(27,604)	93,455	
Average number of employees	21	22	

Principal risks and uncertainties

The company uses various financial instruments which include cash, trade debtors, trade creditors and amounts due to group undertakings that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

The principal risks and uncertainties facing the company are broadly grouped as – competitive, legislative and financial instrument risk.

Competitive risk

The company is reliant on certain major broadcasters for commissions, although the television production market is a competitive one we feel the relationships we have with the broadcasters along with our brands and reputation enable us to maintain an edge over our competitors.

A general market trend is towards the broadcasters tightening production budgets with increasing instances of them seeking for production companies to deficit finance programmes.

Legislative risk

The company is subject to non-sector specific government legislation such as the 2014 auto-enrolment pension legislation, which as it does in any industry impacts already constrained margins.

Sector specific legislation has however been supportive in recent years as evidenced by the film tax credit legislation.

Financial instrument risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

The company's policy throughout the period has been to achieve this objective through regular cash flow forecasting and review. The company's principal financial assets are cash and trade debtors. The credit risk associated with cash is limited as the counterparties have high credit ratings assigned by international credit-rating agencies. The principal credit risk arises, therefore, from trade debtors.

Despite debtors being major international broadcast organisations, debtors are reviewed by the financial controller and the board on a regular basis through a monthly assessment of the funding due on productions underway and in conjunction with debt ageing and collection history.

The company's key financial risk is in foreign currency exposure, both in terms of the cost of producing programmes on overseas shoots and in income received from overseas co-producers. The uncertain nature of the timing of receipts (due to their tendency to be tied to flexible delivery milestones) makes it risky to take out explicit hedging contracts against these risks. As such, the company agreed wherever possible to contractual rates in advance of the start of production and maintains Sterling, Euro and US$ balances within its bank facilities to fund costs where advantageous.

Going concern

The company has a net deficit on its balance sheet at 31 December 2014 of £27,604 (31 May 2014 net assets of £126,348). It is dependent on its parent company for financial support and has received a letter of support from Forward Internet Group Limited. On this basis, the directors continue to prepare the accounts on a going concern basis.

By order of the board

Director 30|9|15

Antony Fraser

Directors' Report

For the period ended 31 December 2014

The directors present their report for the period ended 31 December 2014.

Directors' responsibilities statement

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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Directors

The directors who served during the period were:

Joel Denton	(appointed 30 May 2014)
John Farren	
Antony Fraser	(appointed 30 May 2014)
Mark Wright	

Auditor

Ernst & Young LLP were appointed in the current year. Under Sec 487 (2) of the Companies Act 2006, Ernst & Young LLP will be deemed to have been appointed as auditors 28 days after the financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earliest.

Approved by the board

Director

Antony Fraser

30/9/15

Independent Auditor's Report to the Members of 360 Production Limited

We have audited the financial statements of 360 Production Limited for the period ended 31 December 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 16. 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 set out on page 5, 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 the 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 financial statements 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 the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss 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 other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP

Andy Glover (Senior independent auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

30th September 2015

Profit and loss account

for the period ended 31 December 2014

	Notes	*Seven months to December2014* £	*May 2014* £
Turnover		1,343,979	2,129,659
Cost of sales		(622,100)	(755,473)
Gross profit		721,879	1,374,186
Administrative expenses		(923,069)	(1,355,987)
Other operating income	2	24,338	34,442
Operating (loss)/profit	3	(176,852)	52,641
Interest receivable and similar income	6	168	253
Interest payable and similar charges		-	(1)
(Loss)/profit on ordinary activities before taxation		(176,684)	52,893
Tax on (loss)/profit on ordinary activities	7	22,732	(20,100)
(Loss)/profit for the financial period	14	(153,952)	32,793

All amounts relate to continuing activities.

Statement of total recognised gains and losses

for the period ended 31 December 2014

There are no recognised gains or losses other than the loss attributable to the shareholders of the company of £153,952 in the period ended 31 December 2014 (May 2014 – profit of £32,793).

Balance sheet

As at 31 December 2014

	Notes	December 2014 £	May 2014 £
Fixed assets			
Tangible assets	8	30,697	35,499
Investment in subsidiary company	9	80	80
		30,778	35,579
Current assets			
Debtors	10	508,572	198,693
Cash at bank and in hand		85,409	616,252
		593,981	814,945
Creditors: amounts falling due within one year	11	(652,363)	(719,848)
Net current (liabilities)/assets		(58,382)	95,097
Total assets less current liabilities		(27,604)	130,676
Provisions for liabilities and charges			
Deferred taxation	7(c)	-	(4,328)
Net(liabilities)/assets		(27,604)	126,348
Capital and reserves			
Called up share capital	12	100	100
Profit and loss account	13	(27,704)	126,248
Shareholders' (deficit)/funds	14	(27,604)	126,348

Approved by the Board and signed on its behalf.

Director
Antony Fraser 30/9/15

Notes to the financial statements

As at 31 December 2014

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable UK accounting standards.

Going concern

The company has a net deficit on its balance sheet at 31 December 2014 of £27,604 (31 May 2014 net assets of £126,348). It is dependent on its parent company for financial support and has received a letter of support from Forward Internet Group Limited. On this basis, the directors continue to prepare the accounts on a going concern basis.

Statement of cash flows

The company has taken advantage of the exemption available under FRS 1 not to prepare a statement of cash flows for subsidiaries with 90% or more of the voting rights controlled within the group, and has not presented a statement of cash flows.

Turnover

Turnover represents amounts receivable for work carried out in producing television programmes and distribution income on licensing formats and completed programmes available to third parties.

Production income is recognised over the period of the production when income is earned based on the contractual terms. Gross profit on production activity is recognised over the period of the production or in accordance with the underlying contract and where there is certainty of this being realised; overages on productions are recognised as they arise and underages are recognised on completion of the productions.

Distribution income represents licence fees receivable from third parties. Amounts recognised in the profit and loss account include withholding tax but exclude Value Added Tax. Distribution income is recognised based on statements received from distributors.

Tangible fixed assets

Tangible fixed assets are initially recorded at cost.

Equipment – 25% straight line

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Investments

Investments held as fixed assets are shown at cost less provision for impairment

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the financial statements
As at 31 December 2014

1. Accounting policies (continued)

Operating leases

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.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Government grants

Government grants in respect of qualifying labour cost and marketing expenses are credited to income so as to match them with the expenditure to which they relate.

2. Other operating income

	Seven months to December 2014	*May 2014*
	£	£
Government grants receivable	24,338	34,442

3. Operating profit

This is stated after charging

	Seven months to December 2014	*May 2014*
	£	£
Operating lease rentals – land and buildings	32,291	104,149
Depreciation of owned tangible fixed assets	8,739	16,268
Auditor's remuneration	10,500	11,000
Difference on exchange	2	7,230

4. Directors' remuneration

	Seven months to December2014	*May2014*
	£	£
Aggregate remuneration	-	268,608

Notes to the financial statements

As at 31 December 2014

5. Staff costs

	Seven months to December2014	*May 2014*
	£	£
Wages and salaries	418,622	932,943
Social security costs	40,839	90,223
	459,461	1,023,166

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

	No.	*No.*
Production	18	19
Administrative	3	3
	21	22

6. Interest receivable

	Seven months to December 2014	*May 2014*
	£	£
Bank interest receivable	168	147

7. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	Seven months to December 2014	*May 2014*
	£	£
Current tax:		
UK corporation tax at 21%(2013 23.25%)	(18,404)	15,772
Deferred tax:		
Movement in the period	(4,328)	4,328
	(22,732)	20,100

Notes to the financial statements

As at 31 December 2014

7. Tax (continued)

(b) Factors affecting current tax credit for the period

The standard rate of current tax for the period, based on the UK standard rate of corporation tax is 21% (May 2014– 23.83%). The current tax charge for the period differs from the standard rate for reasons in the reconciliation below:

	December2014	*May 2014*
	£	£
(Loss)/profit on ordinary activities before tax	(176,684)	52,893
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (May 2014– 23.83%)	(37,987)	12,604
Effects of:		
Capital allowances in excess of depreciation	1,879	1,135
Disallowable expenditure	926	2,135
Tax over provided in previous years	-	(102)
Loss carry back	(816)	-
Losses carried forward	17,595	-
Current tax for the period (note 7(a))	(18,404)	15,772

(c) Deferred tax

Deferred tax is provided at 21 % (May 2014 – 23.83%) in the balance sheet as follows:

	December 2014	*May 2014*
	£	£
Included in provisions for liabilities	-	4,328
Analysed as:		
Accelerated capital allowances	-	4,328
	-	4,328

Analysis of movement in deferred tax asset:

	£
At 1 June 2014	4,328
Charged to profit and loss account	(4,328)
At 31 December 2014	-

(d) Factors affecting future tax charges:

The Finance Act 2013, included legislation to reduce the main rate of corporation tax from 21% to 20% *from 1 April 2015. The effect of this change on the deferred tax balances has been included in the figures* within these accounts.

7. Tax (continued)

The Summer Finance Bill 2015 proposed two changes to the future mainstream corporation tax rate. From 1 April 2017 the rate will reduce from 20% to 19% and from 1 April 2020 the rate will reduce further to 18%. As these changes have not yet substantially enacted, they are not reflected in the figures in these accounts.

It is not yet possible to quantify the impact of this rate change upon current tax.

8. Tangible fixed assets

	Equipment
	£
Cost:	
At 1 June 2014	89,432
Additions	3,937
At 31 December 2014	93,369
Depreciation:	
At 1 June 2014	53,933
Charge for the period	8,739
At 31 December 2014	62,672
Net book value:	
At 31 December 2014	30,697
At 1 June 2014	35,499

9. Investment in Subsidiary company

	Investment in subsidiary undertaking
	£
Cost and net book value:	
At 1 June2014 and 31 December 2014	80

Subsidiary undertakings

The following is a subsidiary undertaking of the company:

Name	**Class of shares**	**Holding**
360 Production South Post and Graphics Limited	Ordinary shares of £1 each	100%

The aggregate of the share capital and reserves as at 31 December 2014 and of the profit and loss for the period ended on that date for the subsidiary undertakings were as follows:

Name	**Aggregate of share capital and reserves**	**Profit/(loss)**
	£	£
360 Production South Post and Graphics Limited	113,355	(77,623)

360 Production South Post and Graphics Limited is incorporated in the Republic of Ireland

Notes to the financial statements

As at 31 December 2014

10. Debtors

	December 2014	May 2014
	£	£
Trade debtors	83,749	52,418
Prepayments and accrued income	396,681	119,159
Other debtors	25,612	27,116
Corporation tax	2,530	-
	508,572	198,693

11. Creditors: amounts falling due within one year

	December2014	May 2014
	£	£
Trade creditors	138,612	29,470
Other taxes and social security costs	66,632	197,186
Other creditors	359,173	392,705
Due to group companies	87,946	100,487
	652,363	719,848

12. Issued share capital

Allotted, called up and fully paid	*December 2014*		*May 2014*	
	No.	*£*	*No.*	*£*
Ordinary shares of £1 each	100	100	100	100

13. Reconciliation of shareholders' funds

	Share capital	*Profit and loss account*	*Totals*
	£	£	£
At 1 January 2014	100	126,248	126,348
Movement for the period	-	(153,952)	(153,952)
Closing shareholders' funds	100	(27,704)	(27,604)

Notes to the financial statements

As at 31 December 2014

14. Other financial commitments

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings	
	December2014	*May 2014*
	£	£
Operating leases which expire:		
In two to five years	32,291	104,149

15. Related party transactions

During the year the company entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and trading balances outstanding at 31 December, are as follows:

	Sales to related party	*Purchases from related party*	*Amounts owed from related party*	*Amounts owed to related party*
	£	£	£	£
Related party:				
360 Production South Post and Graphics Limited				
December 2014	-	-	-	87,946
May 2014	-	-	-	100,504

Contractual bonus outstanding at 31 December, are as follows:

Director – Mark Wright

	£
At 1 June 2014 and 31 December 2014	7,973

Director – John Farren

	£
At 31 December 2014	11,878

16. Ultimate parent undertaking and controlling party

The immediate parent undertaking and controlling party is Rare Television Limited, a company incorporated in England and Wales. The ultimate parent undertaking is Forward Internet Holdings Limited.

17. Subsequent Event

In August 2015, the ultimate parent Forward Internet Group transferred its 95% stake in the parent company Rare Television Limited to Forward Dimension Capital 1 LLP, a partnership under common control..