

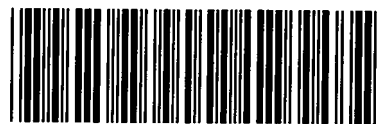
**Company Registration No. 03863614**

**Flame Television Production Limited**

**Annual Report and Financial Statements**

**30 June 2014**

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# **Flame Television Production Limited**

## **Annual Report and financial statements 2014**

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# **Flame Television Production Limited**

## **Annual Report and financial statements 2014**

### **Officers and professional advisers**

#### **Directors**

R Allen-Turner  
J Beresford  
J Isaacs  
C Clarke  
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 year ended 30 June 2014.

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 £nil (2013: £400,000) were declared to Avalon Television Limited and dividends of £nil were declared to Avalon Factual Holdings Limited in the period (2013: £609,374).

### Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, 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 note 1 of the financial statements.

### Directors

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

R Allen-Turner  
J Beresford  
J Gregory- resigned 31/10/2014  
J Isaacs  
C Clarke  
J Mowll  
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.

Deloitte LLP has expressed its 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 Mowll  
Director

12 December 2014

# **Flame Television Production Limited**

## **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 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 2014 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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**

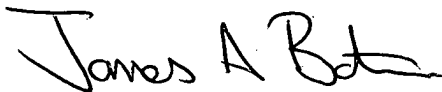
In our opinion the information in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

## **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
- 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 preparing the Strategic Report or in preparing the Directors' Report.



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

12 December 2014

# Flame Television Production Limited

## Profit and loss account 30 June 2014

	Notes	Year ended 30 June 2014 £	18 months ended 30 June 2013 £
<b>Turnover</b>	2	4,434,491	4,939,683
Cost of sales		(2,817,514)	(2,895,896)
<b>Gross profit</b>		<u>1,616,977</u>	<u>2,043,787</u>
Administrative expenses		(1,080,291)	(1,533,241)
<b>Operating profit</b>	3	<u>536,686</u>	<u>510,546</u>
Interest payable and similar charges		-	(25)
<b>Profit on ordinary activities before taxation</b>		<u>536,686</u>	<u>510,521</u>
Tax on profit on ordinary activities	6	(128,726)	(39,598)
<b>Profit for the financial period</b>		<u><u>407,960</u></u>	<u><u>470,923</u></u>

All results relate to continuing operations.

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

The accompanying notes form an integral part of these financial statements.



# Flame Television Production Limited

## Balance sheet 30 June 2014

	Notes	2014 £	2013 £
<b>Fixed assets</b>			
Tangible assets	7	18,153	34,107
<b>Current assets</b>			
Debtors	8	1,083,630	230,587
Cash at bank and in hand		1,295,428	1,315,109
		<u>2,379,058</u>	<u>1,545,696</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(1,822,678)</u>	<u>(1,413,230)</u>
<b>Net current Asset</b>		<u>556,380</u>	<u>132,466</u>
<b>Total assets less current liabilities</b>		<u>574,533</u>	<u>166,573</u>
<b>Capital and reserves</b>			
Called up share capital	10	150	150
Profit and loss account	11	574,383	166,423
		<u>574,533</u>	<u>166,573</u>
<b>Total shareholders' funds</b>		<u>574,533</u>	<u>166,573</u>

The financial statements of Flame Television Production Limited, registered number 03863614 were approved by the Board of Directors on 12 December 2014.

Signed on behalf of the Board of Directors

J Thoday  
Director



# Flame Television Production Limited

## Notes to the financial statements Yeare ended 30 June 2014

### 1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below and have been applied consistently in the current and prior year.

#### **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 year result and the anticipated future performance of the Company, taking into account reasonably possible changes in trading performance, 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, 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.

# Flame Television Production Limited

## Notes to the financial statements Yeare ended 30 June 2014

### 1. Accounting policies (continued)

#### 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

Eligible company employees are offered membership of a defined contribution pension scheme which is operated by Avalon Management Group Limited. Contributions payable to the Company's pension scheme are charged to the profit and loss account in the period to which they relate.

#### 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 2 Limited whose Group accounts are publicly available.

### 2. Turnover

The turnover and profit (2013: profit) before taxation are attributable to the one principal activity of the company.

### 3. Operating profit

The operating profit is stated after charging:

	Year ended 30 June 2014 £	18 months period ended 30 June 2013 £
Depreciation – owned assets	21,352	45,875
Fees payable to the Company's auditor for the audit of the Company's annual accounts	4,000	6,500
Fees paid to the Company's auditor for tax services	1,250	2,500
	<u>          </u>	<u>          </u>

# Flame Television Production Limited

## Notes to the financial statements Year ended 30 June 2014

### 4. Staff costs

	Year ended 30 June 2014 £	18 months period ended 30 June 2013 £
Wages and salaries	548,911	722,402
Social security costs	60,918	89,441
	<u>609,829</u>	<u>811,843</u>

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

	Year ended 30 June 2014 No.	18 months period ended 30 June 2013 No.
Administration	<u>3</u>	<u>4</u>

	Year ended 30 June 2014 £	18 months period ended 30 June 2013 £
Directors' remuneration and other benefits	-	179,377
Directors' pension contributions to money purchase schemes	-	-
	<u>-</u>	<u>-</u>

No directors received remuneration directly during the year.

### 5. Interest payable and similar charges

	Year ended 30 June 2014 £	18 months period ended 30 June 2013 £
Bank interest payable	<u>-</u>	<u>25</u>
	<u>-</u>	<u>25</u>

# Flame Television Production Limited

## Notes to the financial statements Year ended 30 June 2014

### 6. Taxation

#### Analysis of the tax charge

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

	Year ended 30 June 2014 £	18 months period ended 30 June 2013 £
Current tax:		
UK corporation tax	122,057	43,048
Adjustment in respect of previous periods	6,055	(72)
	<u>128,112</u>	<u>42,976</u>
Deferred tax:		
Deferred Tax (asset)/liability current year	1,797	(3,844)
Adjustment in respect of prior periods	-	433
Effect of rate change charged to the P&L	(1,183)	37
	<u>128,726</u>	<u>39,598</u>
Tax on profit on ordinary activities	<u>128,726</u>	<u>39,598</u>
Profit on ordinary activities before tax	<u>536,686</u>	<u>510,521</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 22.5% (2013: 24.2%)	120,762	123,546
Effects of:		
Expenses not deductible	101	1,626
Depreciation in excess of capital allowances	1,194	3,972
Group losses received for nil consideration	-	(86,096)
Adjustment in respect of prior periods	6,055	(72)
	<u>128,112</u>	<u>42,976</u>
Current tax charge	<u>128,112</u>	<u>42,976</u>

# Flame Television Production Limited

## Notes to the financial statements Yeare ended 30 June 2014

### 7. Tangible fixed assets

	Production equipment £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 July 2013	128,806	2,284	11,468	142,558
Additions	5,078	-	321	5,399
Disposals	-	-	-	-
At 30 June 2014	<u>133,884</u>	<u>2,284</u>	<u>11,789</u>	<u>147,957</u>
<b>Depreciation</b>				
At 1 July 2013	94,747	2,236	11,468	108,451
Charge for the period	21,225	48	80	21,353
Eliminated on disposal	-	-	-	-
At 30 June 2014	<u>115,972</u>	<u>2,284</u>	<u>11,548</u>	<u>129,804</u>
<b>Net book value</b>				
At 30 June 2014	<u>17,912</u>	<u>-</u>	<u>241</u>	<u>18,153</u>
At 30 June 2013	<u>34,059</u>	<u>48</u>	<u>-</u>	<u>34,107</u>

### 8. Debtors: amounts falling due within one year

	2014 £	2013 £
Trade debtors	446,331	169
Other debtors	4,882	1,574
Prepayments and Accrued income	383,142	37,390
Amounts owed by group undertakings	246,239	173,459
Deferred tax	2,763	3,377
Corporation tax	-	14,618
Amounts owed from undertakings in which the company has a participating interest	273	-
	<u>1,083,630</u>	<u>230,587</u>

# Flame Television Production Limited

## Notes to the financial statements Yeare ended 30 June 2014

### 9. Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	29,740	26,498
Other creditors	5,157	84
Amounts owed to group undertakings	704,460	690,233
Corporation tax	38,940	-
Taxation and social security	328,157	164,363
Accruals and deferred income	716,224	532,052
	<u>1,822,678</u>	<u>1,413,230</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

	2014 £	2013 £
<b>Allotted, issued and fully paid</b>		
1000'A' Ordinary shares of £0.10 each (2013: 1000)	100	100
500'B' Ordinary shares of £0.10 each (2013: 500)	50	50
	<u>150</u>	<u>150</u>

### 11. Reserves

	Profit and loss account £
At 1 July 2013	166,423
Profit for the period	407,960
At 30 June 2014	<u>574,383</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 financial statements Yeare ended 30 June 2014**

### **13. Ultimate parent company**

As at the period end date the ultimate controlling party is JM Thoday. The largest and smallest groups within which the company's financial statements are consolidated is Tiverton 2 Limited.

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