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Company Registration No. 09668527 (England and Wales)

W. CHUMP & SONS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017



W. CHUMP & SONS LIMITED

COMPANY INFORMATION

Directors	Mr A N Wilman Mr J Clarkson Mr J May Mr R Hammond
Secretary	Olswang Cosec Limited
Company number	09668527
Registered office	27 Mortimer Street London W1T 3BL
Accountants	Blinkhorns 27 Mortimer Street London W1T 3BL
Auditor	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER United Kingdom

W. CHUMP & SONS LIMITED

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W. CHUMP & SONS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present the strategic report for the year ended 31 December 2017.

Fair review of the business

The company's profit for the financial period was £2,306,205 (2016: £707,321). The profit was driven by television programming produced during the period ended 31 December 2017.

The directors are keen to continue focusing on producing quality programming whilst ensuring that the company's overheads are kept stable.

The directors are satisfied with the results for the year and the financial position at the year end and will continue to pursue business opportunities as they arise in the future.

Principal risks and uncertainties

The company operates in an increasingly competitive environment and the directors regularly review and assess the uncertainties in the market.

Management aims to minimise risk by retaining key staff and producing quality, entertaining programmes.

Clear risk assessment and strong financial and operational management is essential to control and manage the company's existing business.

Key performance indicators

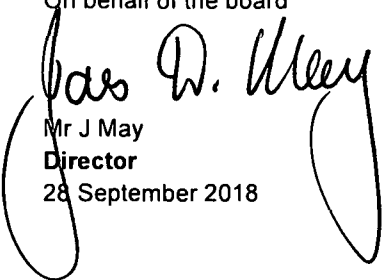
The directors consider its key performance indicators to be:

- gross profit margin
- operating profit

Financial position

At the period end shareholders' funds were £3,013,926 (2016: £707,721).

On behalf of the board



Mr J May

Director

28 September 2018

W. CHUMP & SONS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their annual report and financial statements for the year ended 31 December 2017.

Principal activities

The principal activity of the company was that of television programme production.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr A N Wilman
Mr J Clarkson
Mr J May
Mr R Hammond

Results and dividends

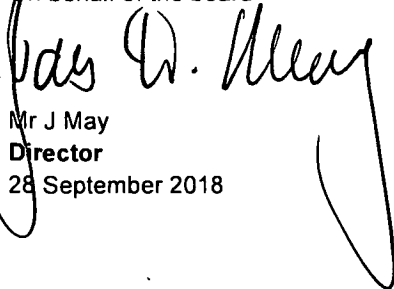
The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mr J May
Director
28 September 2018

W. CHUMP & SONS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

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 judgements and accounting 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;
- 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.

W. CHUMP & SONS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF W. CHUMP & SONS LIMITED

Opinion

We have audited the financial statements of W. Chump & Sons Limited (the 'company') for the year ended 31 December 2017 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, 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 December 2017 and of its profit for the year 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.

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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 our audit:

- the information given in the strategic report and the directors' report for the financial year 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.

W. CHUMP & SONS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF W. CHUMP & SONS LIMITED

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 and the directors' report.

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.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

Simon Mott-Cowan (Senior Statutory Auditor)
for and on behalf of H W Fisher & Company

Chartered Accountants
Statutory Auditor

Acre House
11-15 William Road
London
United Kingdom
NW1 3ER

28 September 2018

W. CHUMP & SONS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

		Year ended 31 December 2017 £	Period ended 31 December 2016 £
	Notes		
Turnover	3	30,654,127	40,870,158
Cost of sales		(26,550,636)	(36,560,626)
Gross profit		<u>4,103,491</u>	<u>4,309,532</u>
Administrative expenses		(1,366,397)	(3,293,360)
Operating profit	4	<u>2,737,094</u>	<u>1,016,172</u>
Interest receivable and similar income	7	120,299	117,979
Profit before taxation		<u>2,857,393</u>	<u>1,134,151</u>
Tax on profit	8	(551,188)	(426,830)
Profit for the financial year		<u><u>2,306,205</u></u>	<u><u>707,321</u></u>

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

W. CHUMP & SONS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Year ended 31 December 2017 £	Period ended 31 December 2016 £
Profit for the year	2,306,205	707,321
Other comprehensive income	-	-
Total comprehensive income for the year	<u>2,306,205</u>	<u>707,321</u>

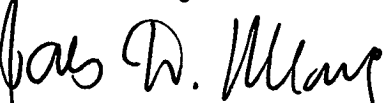
W. CHUMP & SONS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017		2016	
		£	£	£	£
Current assets					
Debtors	10	15,679,041		12,718,495	
Cash at bank and in hand		11,109,840		8,310,441	
		<u>26,788,881</u>		<u>21,028,936</u>	
Creditors: amounts falling due within one year	11	<u>(23,774,955)</u>		<u>(20,321,215)</u>	
Net current assets			<u>3,013,926</u>		<u>707,721</u>
Capital and reserves					
Called up share capital	12		400		400
Profit and loss reserves			<u>3,013,526</u>		<u>707,321</u>
Total equity			<u>3,013,926</u>		<u>707,721</u>

The financial statements were approved by the board of directors and authorised for issue on 28 September 2018 and are signed on its behalf by:



Mr J May
Director

Company Registration No. 09668527

W. CHUMP & SONS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Share capital £	Profit and loss reserves £	Total £
Period ended 31 December 2016:				
Profit and total comprehensive income for the period		-	707,321	707,321
Issue of share capital	12	400	-	400
Balance at 31 December 2016		400	707,321	707,721
Period ended 31 December 2017:				
Profit and total comprehensive income for the period		-	2,306,205	2,306,205
Balance at 31 December 2017		400	3,013,526	3,013,926

W. CHUMP & SONS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017		2016	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	14	3,427,969		8,192,862	
Corporate taxes paid		(748,869)		-	
Net cash inflow from operating activities		2,679,100		8,192,862	
Investing activities					
Proceeds from other investments and loans		-		(800)	
Interest received		120,299		117,979	
Net cash generated from investing activities		120,299		117,179	
Financing activities					
Proceeds from issue of shares		-		400	
Net cash (used in)/generated from financing activities		-		400	
Net increase in cash and cash equivalents		2,799,399		8,310,441	
Cash and cash equivalents at beginning of year		8,310,441		-	
Cash and cash equivalents at end of year		11,109,840		8,310,441	

W. CHUMP & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

W. Chump & Sons Limited is a private company limited by shares incorporated in England and Wales. The registered office is 27 Mortimer Street, London, W1T 3BL.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The accounting period relates to the year to 31 December 2017, the comparative accounting period was for the period from 2 July 2015 to 31 December 2016.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover and revenue recognition

Turnover represents amounts received and receivable for the production and development of television programmes exclusive of value-added-tax. Turnover and related costs from television production are recognised when programmes are delivered to the commissioning bodies.

Amounts received under agreements for which contractual obligations have not been fulfilled and which have not been credited to the profit and loss are included on the balance sheet.

1.4 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

W. CHUMP & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

W. CHUMP & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Other debtors

The Directors have made a judgement affecting these financial statements regarding the recoverability of a loan of £2,000,000 to a connected company included within debtors. At the balance sheet date, the Directors consider this loan likely to be recoverable in the long term. In the prior year, the Directors took a prudent view and included a provision of £1,000,000 against the loan balance given the current financial position of the connected company.

Revenue recognition

Revenue from television production is recognised when programmes are delivered to the commissioning bodies. The Directors estimate the revenue from each minute of television produced to be equal. The Directors estimate the cost to produce each minute of television to be equal. When programmes are not delivered at the balance sheet date, the directors estimate the deferred and accrued income and deferred and accrued costs on a per minute basis.

W. CHUMP & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2017 £	2016 £
Turnover analysed by class of business		
Television production	30,654,127	40,870,158
	<u>30,654,127</u>	<u>40,870,158</u>
	2017 £	2016 £
Other significant revenue		
Interest income	120,299	117,979
	<u>120,299</u>	<u>117,979</u>
	2017 £	2016 £
Turnover analysed by geographical market		
United States	30,216,536	40,870,158
United Kingdom	437,591	-
	<u>30,654,127</u>	<u>40,870,158</u>

4 Operating profit

	2017 £	2016 £
Operating profit for the period is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	11,250	7,500
	<u>11,250</u>	<u>7,500</u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017 Number	2016 Number
Directors	4	4
	<u>4</u>	<u>4</u>

W. CHUMP & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

5 Employees	(Continued)	
Their aggregate remuneration comprised:		
	2017	2016
	£	£
Wages and salaries	600,000	600,000
Social security costs	75,293	70,997
	<u>675,293</u>	<u>670,997</u>
6 Directors' remuneration		
	2017	2016
	£	£
Remuneration for qualifying services	600,000	600,000
	<u>600,000</u>	<u>600,000</u>
Remuneration disclosed above include the following amounts paid to the highest paid director:		
	2017	2016
	£	£
Remuneration for qualifying services	150,000	150,000
	<u>150,000</u>	<u>150,000</u>
7 Interest receivable and similar income		
	2017	2016
	£	£
Interest income		
Interest on bank deposits	8,851	3,501
Other interest income	111,448	114,478
	<u>120,299</u>	<u>117,979</u>
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	8,851	3,501
	<u>8,851</u>	<u>3,501</u>
8 Taxation		
	2017	2016
	£	£
Current tax		
UK corporation tax on profits for the current period	551,188	426,830
	<u>551,188</u>	<u>426,830</u>

W. CHUMP & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

8 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit before taxation	2,857,393	1,134,151
Expected tax charge based on the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	550,048	226,830
Under/(over) provided in prior years	1,140	-
Impairment of financial asset	-	200,000
Taxation charge for the period	551,188	426,830

9 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	14,524,110	11,645,184
Carrying amount of financial liabilities		
Measured at amortised cost	16,248,078	15,833,408

10 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	1,274,813	157,467
Other debtors	12,741,912	6,913,754
Prepayments and accrued income	436,390	4,532,796
	14,453,115	11,604,017
Amounts falling due after more than one year:		
Amount due from related parties	1,225,926	1,114,478
Total debtors	15,679,041	12,718,495

W. CHUMP & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

11 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Trade creditors		170,753	2,189,720
Corporation tax		229,149	426,830
Other taxation and social security		28,496	22,515
Deferred income		7,269,232	4,038,462
Other creditors		8,505,907	13,146,765
Accruals		7,571,418	496,923
		<u>23,774,955</u>	<u>20,321,215</u>

12 Share capital

	2017 £	2016 £
Ordinary share capital Issued and fully paid		
40,000 Ordinary shares of 1p each	400	400
	<u>400</u>	<u>400</u>

13 Related party transactions

Included in other debtors is £11,587,000 (2016: £5,777,000) due from Chump Holdings Limited, a company controlled by the directors. This balance includes the transfer of funds between the entities required to finance their trading activities.

Included in debtors is £1,225,926 (2016: £1,114,478) due from Digital Tribe Holdings Limited, a connected company. This balance relates to an intercompany loan made under commercial terms and accrued interest. The original loan amount was £2,000,000, £1,000,000 of this loan was provided against in the 2016 financial statements.

Included in other creditors is £8,367,166 (2016: £12,690,427) owed to Chump Productions Limited, a company controlled by the directors. This balance includes intercompany costs of £24,555,168 (2016: £34,104,400) incurred under the terms of a commissioning agreement plus the transfer of funds between the entities required to finance their trading activities.

W. CHUMP & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

13 Related party transactions

(Continued)

Included in other creditors is £138,741 (2016: £436,996) owed to Nigel & Sons Limited, a company controlled by the directors. This balance includes amounts of £401,745 (2016: £436,996) relating to intercompany costs incurred under a royalty agreement.

During the year, the company loaned a director £300,000 (2016: £Nil), this balance is included in the other debtor balance (2016: £Nil).

14 Cash generated from operations

	2017 £	2016 £
Profit for the year after tax	2,306,205	707,321
Adjustments for:		
Taxation charged	551,188	426,830
Investment income	(120,299)	(117,979)
Movements in working capital:		
(Increase) in debtors	(3,242,388)	(11,644,384)
Increase in creditors	702,493	14,782,612
Increase in deferred income	3,230,770	4,038,462
Cash generated from operations	<u>3,427,969</u>	<u>8,192,862</u>