
HANWAY FILMS LIMITED

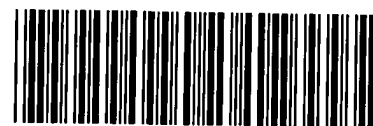
UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 30 JUNE 2019

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COMPANIES HOUSE

HANWAY FILMS LIMITED

COMPANY INFORMATION

Directors

P N Watson
J J Thomas
J A Spielhoff
M G Stewart

Company secretary

R S Barbut (appointed 1 November 2019)
M A Thomas (resigned 31 October 2019)

Registered number

03663618

Registered office

8 Basing Street
London
W11 1ET

Accountants

Grant Thornton UK LLP
Chartered Accountants
30 Finsbury Square
London
EC2A 1AG

HANWAY FILMS LIMITED
REGISTERED NUMBER:03663618

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

| | Note | 2019 £ | 2018 £ |
|--|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 10 | 19,124 | 33,735 |
| Investments | 11 | 311 | 286 |
| | | <u>19,435</u> | <u>34,021</u> |
| Current assets | | | |
| Work in progress | 12 | 1,155,467 | 1,557,888 |
| Debtors: amounts falling due within one year | 13 | 1,992,348 | 2,059,081 |
| Cash at bank and in hand | 14 | 448,302 | 1,419,198 |
| | | <u>3,596,117</u> | <u>5,036,167</u> |
| Creditors: amounts falling due within one year | 15 | (2,181,586) | (3,107,171) |
| Net current assets | | <u>1,414,531</u> | <u>1,928,996</u> |
| Net assets | | <u><u>1,433,966</u></u> | <u><u>1,963,017</u></u> |
| Capital and reserves | | | |
| Called up share capital | 17 | 1,000 | 1,000 |
| Profit and loss account | 18 | 1,432,966 | 1,962,017 |
| | | <u><u>1,433,966</u></u> | <u><u>1,963,017</u></u> |

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....
J A Spielhoff

HANWAY FILMS LIMITED
REGISTERED NUMBER:03663618

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2019

Director

Date: 30/6/2020

The notes on pages 3 to 18 form part of these financial statements.

HANWAY FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1. General information

Hanway Films Limited is a private company limited by shares and incorporated in England and Wales. Registered number 03663618. Its registered head office is located at 8 Basing Street, London, England, W11 1ET.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The company's functional and presentational currency is Sterling (£).

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The company, and the Group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and Group are considered eligible for the exemption to prepare consolidated accounts.

2.3 Going concern

The financial statements have been prepared on a going concern basis. The directors have considered the future funding requirements of the business, and based on management forecasts have concluded that the company will have sufficient funds to ensure that it can meet its financial liabilities as and when they fall due, for a period of at least 12 months from the date of these financial statements.

2.4 Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the Statement of financial position date. All differences are taken to the Statement of comprehensive income.

2.5 Revenue recognition

Turnover represents agents commission earned from the sale of a film, based upon a percentage of gross collected receipts. Turnover is recognised upon delivery of the film.

2.6 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

HANWAY FILMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

2. Accounting policies (continued)**2.7 Leased assets: the company as lessee**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.8 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.9 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Pensions**Defined contribution pension plan**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

HANWAY FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

2. Accounting policies (continued)

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | | |
|--------------------------------|---|----------------------------|
| Leasehold improvements | - | over the term of the lease |
| Fixtures, fittings & equipment | - | 10% straight-line |
| Computer equipment | - | 25% straight-line |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

HANWAY FILMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

2. Accounting policies (continued)

2.14 Work in progress

Work in progress is stated at the lower of cost and net realisable value. Work in progress comprises deferred marketing expenditure that is expected to be recovered against future distribution income and reimbursement. Where such costs are not expected to generate future economic benefit, the costs are written off to cost of sales in the period in which they are incurred.

2.15 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.17 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

HANWAY FILMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

2. Accounting policies (continued)**2.19 Financial instruments**

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

HANWAY FILMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Management use judgement in determining whether deferred marketing expenditure which is recognised as work in progress on the balance sheet is recoverable against future distribution income. The key source of uncertainty is the success of any particular film title. Management use their own expertise in determining when a film title is unlikely to generate further income. There are no other material judgments or estimates in preparation of these financial statements.

4. Turnover

The company's turnover for the year has been derived from the sales and distribution of films in worldwide territories in its capacity as agent.

5. Operating loss

The operating loss is stated after charging:

| | 2019 £ | 2018 £ |
|---------------------------------------|----------------|----------------|
| Research and development | 1,170 | 1,229 |
| Depreciation of tangible fixed assets | 21,004 | 21,027 |
| Difference on foreign exchange | (29,653) | 33,644 |
| Operating lease rentals | 162,225 | 174,500 |
| | <u>162,225</u> | <u>174,500</u> |

6. Employees

The average monthly number of employees, including the directors, during the year was as follows:

| | 2019 No. | 2018 No. |
|---------------------|-------------|-------------|
| Administration | 11 | 11 |
| Sales and marketing | 10 | 9 |
| | <u>21</u> | <u>20</u> |

Staff costs, including directors' remuneration, were as follows:

| | 2019 £ | 2018 £ |
|---|------------------|------------------|
| Wages and salaries | 1,202,351 | 1,253,000 |
| Social security costs | 152,675 | 153,467 |
| Cost of defined contribution pension scheme | 69,775 | 79,003 |
| | <u>1,424,801</u> | <u>1,485,470</u> |

HANWAY FILMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

7. Directors' remuneration

| | 2019 | 2018 |
|---|----------------|----------------|
| | £ | £ |
| Directors' emoluments | 365,227 | 441,103 |
| Company contributions to defined contribution pension schemes | 18,362 | 30,965 |
| | 383,589 | 472,068 |

During the year retirement benefits were accruing to 1 director (2018: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £160,927 (2018: £196,466).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2018: £Nil).

8. Interest payable and similar expenses

| | 2019 | 2018 |
|--|--------------|--------------|
| | £ | £ |
| Bank interest payable | - | 124 |
| Finance leases and hire purchase contracts | 4,404 | 4,404 |
| | 4,404 | 4,528 |

HANWAY FILMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

9. Taxation

| | 2019 | 2018 |
|--|------------------|-------------|
| | £ | £ |
| Corporation tax | | |
| Current tax on profits for the year | 69,502 | - |
| Foreign tax on income for the year | 59,619 | 82,862 |
| | 59,619 | 82,862 |
| Total current tax | 129,121 | 82,862 |
| Deferred tax | | |
| Origination and reversal of timing differences | (129,121) | (734) |
| Total deferred tax | (129,121) | (734) |
| Taxation on profit on ordinary activities | - | 82,128 |

Factors affecting tax charge for the year

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 19.75% (2018: 19.75 %).

HANWAY FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

10. Tangible fixed assets

| | Leasehold improvements £ | Fixtures, fittings & equipment £ | Computer equipment £ | Total £ |
|-------------------------------------|--------------------------------|---|----------------------------|------------|
| Cost or valuation | | | | |
| At 1 July 2018 | 52,230 | 75,337 | 183,625 | 311,192 |
| Additions | - | - | 6,393 | 6,393 |
| Disposals | (52,230) | (75,337) | (94,095) | (221,662) |
| At 30 June 2019 | - | - | 95,923 | 95,923 |
| Depreciation | | | | |
| At 1 July 2018 | 52,230 | 70,459 | 154,768 | 277,457 |
| Charge for the year on owned assets | - | 4,878 | 16,126 | 21,004 |
| Disposals | (52,230) | (75,337) | (94,095) | (221,662) |
| At 30 June 2019 | - | - | 76,799 | 76,799 |
| Net book value | | | | |
| At 30 June 2019 | - | - | 19,124 | 19,124 |
| At 30 June 2018 | - | 4,878 | 28,857 | 33,735 |

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

| | 2019 £ | 2018 £ |
|--------------------|-----------|-----------|
| Computer equipment | 11,355 | 22,710 |

HANWAY FILMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

11. Fixed asset investments

| | Investments in subsidiary companies £ |
|--------------------------|--|
| Cost or valuation | |
| At 1 July 2018 | 286 |
| Additions | 25 |
| At 30 June 2019 | <u>311</u> |
| Net book value | |
| At 30 June 2019 | <u>311</u> |
| At 30 June 2018 | <u>286</u> |

HANWAY FILMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

11. Fixed asset investments (continued)**Direct subsidiary undertakings**

The following were subsidiary undertakings of the company:

| Name | Country of incorporation | Class of shares | Holding | Principal activity |
|--------------------------------|---------------------------------|------------------------|----------------|--|
| Hanway (DCK) Limited | England | Ordinary | 100 % | Acts as distributor for "Don't come Knocking" |
| Hanway (Tale of Tales) Limited | England | Ordinary | 100 % | Acts as distributor for "Tale of Tales" |
| Hanway Afterlife Limited | England | Ordinary | 100 % | Acts as distributor for "It's a Wonderful Afterlife" |
| Hanway Brown Limited | England | Ordinary | 100 % | Acts as distributor for "Harry Brown" |
| Hanway Distribution Limited | England | Ordinary | 100 % | Dormant |
| Hanway FFN Limited | England | Ordinary | 100 % | Acts as distributor for "Fast Food Nation" |
| Hanway Finest Limited | England | Ordinary | 100 % | Acts as distributor for "Their Finest" |
| Hanway Heights Limited | England | Ordinary | 100 % | Acts as distributor for "Wuthering Heights" |
| Hanway High-Rise Limited | England | Ordinary | 100 % | Acts as distributor for "High-Rise" |
| Hanway Lennon Limited | England | Ordinary | 100 % | Acts as distributor for "Nowhere Boy" |
| Hanway Nature Limited | England | Ordinary | 100 % | Acts as distributor for "Creation" |
| Hanway Rights Limited | England | Ordinary | 100 % | Dormant |
| Hanway Shame Limited | England | Ordinary | 100 % | Acts as distributor for "Shame" |
| Hanway Storm Limited | England | Ordinary | 100 % | Acts as distributor for "Mary Shelley" |
| Hanway Swallows Limited | England | Ordinary | 100 % | Acts as distributor for "Swallows & Amazons" |
| Hanway Sweetness Limited* | England | Ordinary | 100 % | Dormant |
| Hanway Want Sex Limited | England | Ordinary | 100 % | Acts as distributor for "We Want Sex" |
| Hanway's Bounty Limited | England | Ordinary | 100 % | Acts as distributor for "Perrier's Bounty" |
| Hanway's Night Out | England | Ordinary | 100 % | Acts as distributor for "A Royal Night Out" |
| The Hanway Cure Limited | England | Ordinary | 100 % | Acts as distributor for "A Dangerous Method" |
| Twinstone Nominees Limited | England | Ordinary | 100 % | Dormant |
| Schedule 2 Limited | England | Ordinary | 100 % | Supplying promotional materials, prints and DVD's |
| Hanway (Both) Limited | England | Ordinary | 100 % | Dormant |
| Directors Gig Limited | England | Ordinary | 100 % | Dormant |
| Hanway Triage Limited | England | Ordinary | 100 % | Acts as distributor for "Triage" |

* Hanway Sweetness Limited Formerly Hanway Salvage Limited*

Indirect Subsidiary undertakings

HANWAY FILMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

11. Fixed asset investments (continued)

The following were subsidiary undertakings of the company:

| Name | Country of incorporation | Class of shares | Holding | Principal activity |
|------------------|-------------------------------------|----------------------------|----------------|--|
| Schedule 2 Inc** | USA | Ordinary | 100 % | Supplying promotional materials, prints and DVD's |

HANWAY FILMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

11. Fixed asset investments (continued)

The aggregate of the share capital and reserves as at 30 June 2019 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

| | Aggregate of share capital and reserves £ | Profit/(loss) £ |
|--------------------------------|---|--------------------|
| Hanway (DCK) Limited | 694 | 695 |
| Hanway (Tale of Tales) Limited | 1 | - |
| Hanway Afterlife Limited | 32 | (8) |
| Hanway Brown Limited | 3,427 | 3,426 |
| Hanway Distribution Limited | 2 | - |
| Hanway FFN Limited | 80 | 79 |
| Hanway Finest Limited | (8,695) | 398 |
| Hanway Heights Limited | 289 | 218 |
| Hanway High-Rise Limited | 1 | - |
| Hanway Lennon Limited | 969 | 288 |
| Hanway Nature Limited | (17,493) | 127 |
| Hanway Rights Limited | 1 | - |
| Hanway Shame Limited | 1,081 | 1,080 |
| Hanway Storm Limited | 269 | 268 |
| Hanway Swallows Limited | 1 | - |
| Hanway Sweetness Limited | 1 | - |
| Hanway Want Sex Limited | 806 | 9 |
| Hanway's Bounty Limited | 438 | - |
| Hanway's Night Out | 31,360 | 5,733 |
| The Hanway Cure Limited | (833,346) | (1,808) |
| Twinstone Nominees Limited | 2 | - |
| Schedule 2 Limited | (194,155) | (179,230) |
| Hanway (Both) Limited | 1 | - |
| Directors Gig Limited | (2,345) | - |
| Hanway Triage Limited | 1 | - |
| | - | - |
| | <u>(1,016,578)</u> | <u>(168,725)</u> |

HANWAY FILMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

12. Work in progress

| | 2019 £ | 2018 £ |
|------------------|-----------|-----------|
| Work in progress | 1,155,467 | 1,557,888 |

13. Debtors

| | 2019 £ | 2018 £ |
|---|------------------|------------------|
| Trade debtors | 140,090 | 109,298 |
| Amounts owed by subsidiary undertakings | 645,740 | 699,994 |
| Amounts owed by associates | 353,592 | 22,177 |
| Other debtors | 2,065 | 18,400 |
| Prepayments and accrued income | 843,277 | 1,209,128 |
| Amounts owed by joint ventures | 7,500 | - |
| Deferred taxation | 84 | 84 |
| | <u>1,992,348</u> | <u>2,059,081</u> |

Amounts owed by are interest free and repayable on demand.

14. Cash and cash equivalents

| | 2019 £ | 2018 £ |
|--------------------------|-----------|-----------|
| Cash at bank and in hand | 448,302 | 1,419,198 |

15. Creditors: Amounts falling due within one year

| | 2019 £ | 2018 £ |
|---|------------------|------------------|
| Trade creditors | 239,924 | 138,122 |
| Amounts owed to group undertakings | 222,315 | 370,197 |
| Other taxation and social security | 42,619 | 37,720 |
| Obligations under finance lease and hire purchase contracts | 35,652 | 40,620 |
| Other creditors | 1,376,190 | 2,035,822 |
| Accruals and deferred income | 264,886 | 484,690 |
| | <u>2,181,586</u> | <u>3,107,171</u> |

HANWAY FILMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

16. Deferred taxation

| | 2019 £ | 2018 £ |
|-----------------------|-----------|-----------|
| At beginning of year | 84 | (649) |
| Utilised in year | - | 733 |
| At end of year | 84 | 84 |

The deferred tax asset is made up as follows:

| | 2019 £ | 2018 £ |
|--------------------------------|-----------|-----------|
| Accelerated capital allowances | 84 | 84 |

17. Share capital

| | 2019 £ | 2018 £ |
|---|-----------|-----------|
| Allotted, called up and fully paid | | |
| 1,000 (2018: 1,000) Ordinary shares of £1.00 each | 1,000 | 1,000 |

18. Reserves**Profit and loss account**

Includes all current and prior period retained profits and losses.

19. Contingent liabilities

At 30 June applicable law and, the company had commitments to pay minimum guarantees after the end of the year totalling £2,205,643 (2018: £2,432,623). It is anticipated that sales will be made which exceed this amount ensuring there will be no unrecovered balances on these films and therefore no provision is required to be made at the Statement of Financial Position date.

20. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £69,775 (2018: £79,003). There were no contributions (2018: £Nil) payable to the fund at the reporting date.

HANWAY FILMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

21. Related party transactions

| | Amounts outstanding | | Maximum in |
|----------|---------------------|--------------|------------|
| | 2019 | 2018 | year |
| | £ | £ | £ |
| P Watson | <u>504</u> | <u>1,774</u> | <u>504</u> |

The company has taken advantage of the exemption in Financial Reporting Standard 102 "Related party disclosures" and has not disclosed transactions with group undertakings.

During the year the company was charged £nil (2018: £200,000) by Recorded Picture Company ("RPC"); a company under common control, for film management services.

22. Controlling parties

The ultimate controlling party is J J Thomas.