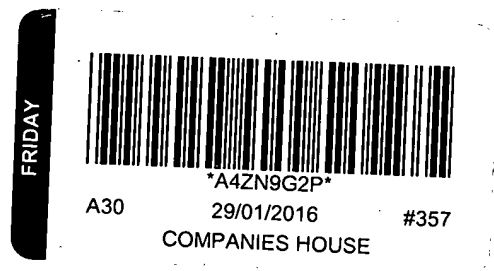


# Academy Films Limited

Annual Report  
For the year ended 30 June 2015



# Academy Films Limited

## Company Information

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|                          |  |
|--------------------------|--|
| <b>Directors</b>         | J Glazer<br>E J Gower  |
| <b>Secretary</b>         | E J Gower  |
| <b>Company number</b>    | 05860629   |
| <b>Registered office</b> | The Charlotte Building<br>17 Gresse Street<br>London<br>W1T 1QL                                    |
| <b>Auditors</b>          | Kingston Smith LLP<br>6th Floor<br>The Charlotte Building<br>17 Gresse Street<br>London<br>W1T 1QL |
| <b>Bankers</b>           | HSBC Bank Plc (W1D 1NT)<br>196 Oxford Street<br>London<br>W1D 1NT                                  |

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# ACADEMY FILMS LIMITED

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# Academy Films Limited

## Strategic Report

For the year ended 30 June 2015

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The directors present the strategic report and financial statements for the year ended 30 June 2015.

### Review of the business

The directors are pleased to report that in year ended June 2015 the business had another successful year, securing a number of large contracts, coupled with continued strong working capital management.

The company results are in line with expectations with turnover increasing from £17.4m to £18.3m and a profit for the year of £2.2m.

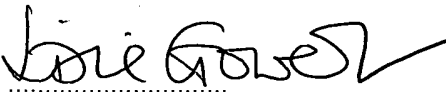
### Principal risks and uncertainties

Looking forward the main risks and uncertainties to the business are financial pressures on clients and advertising agencies, the outlook of the economy with the government austerity measures and inflation. As ever the directors recognise the importance of these issues and will continue to manage the business accordingly.

### Development and performance

At the end of the financial year the directors feel the company is well placed to meet these challenges, underpinned by a strong balance sheet including net assets of over £1.8m and cash balances of over £3.6m.

On behalf of the board



E J Gower

Director

20/1/16

# Academy Films Limited

## Directors' Report

For the year ended 30 June 2015

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The directors present their report and financial statements for the year ended 30 June 2015.

### **Results and dividends**

The results for the year are set out on page 5.

### **Future developments**

The company expects the market to be challenging, but is confident that trading will continue to be profitable in the forthcoming year.

### **Directors**

The following directors have held office since 1 July 2014:

J Glazer  
E J Gower

### **Auditors**

The auditors, Kingston Smith LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic Report, Directors' 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;
- 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.

# Academy Films Limited

## Directors' Report (Continued)

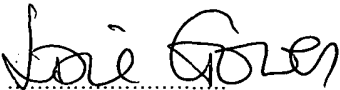
For the year ended 30 June 2015

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### Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors 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 auditors are aware of that information.

On behalf of the board



E J Gower

Director

2015/16

# Academy Films Limited

## Independent Auditors' Report

### To the Members of Academy Films Limited

---

We have audited the financial statements of Academy Films Limited for the year ended 30 June 2015 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. 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 auditors' 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 auditors**

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 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 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 2015 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.

#### **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 year for which the financial statements are prepared is consistent with the financial statements.

# Academy Films Limited

## Independent Auditors' Report (Continued) To the Members of Academy Films Limited

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### **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.

*Kingston Smith LLP*

**Peter Smithson (Senior Statutory Auditor)**  
for and on behalf of Kingston Smith LLP

*20 January 2016*

**Chartered Accountants**  
**Statutory Auditor**

6th Floor  
The Charlotte Building  
17 Gresse Street  
London  
W1T 1QL



# Academy Films Limited

## Profit and Loss Account

For the year ended 30 June 2015

---

|  | Notes     | 2015<br>£    | 2014<br>£    |
|--|-----------|--------------|--------------|
| <b>Turnover</b>                                      | <b>2</b>  | 18,272,320   | 17,436,635   |
| Cost of sales  |           | (13,715,456) | (13,693,837) |
| <b>Gross profit</b>                                  |           | 4,556,864    | 3,742,798    |
| Administrative expenses                              |           | (1,841,801)  | (1,823,578)  |
| <b>Operating profit</b>                              | <b>3</b>  | 2,715,063    | 1,919,220    |
| Other interest receivable and similar income         | <b>4</b>  | 11,355       | 5,256        |
| <b>Profit on ordinary activities before taxation</b> |           | 2,726,418    | 1,924,476    |
| Tax on profit on ordinary activities                 | <b>5</b>  | (564,319)    | (441,371)    |
| <b>Profit for the year</b>                           | <b>12</b> | 2,162,099    | 1,483,105    |

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The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

# Academy Films Limited

## Balance Sheet

As at 30 June 2015

|   | Notes | 2015               |                  | 2014               |                  |
|---|-------|--------------------|------------------|--------------------|------------------|
|   |       | £                  | £                | £                  | £                |
| <b>Fixed assets</b>                                   |       |                    |                  |                    |                  |
| Tangible assets                                       | 7     |                    | 40,733           |                    | 6,757            |
| <b>Current assets</b>                                 |       |                    |                  |                    |                  |
| Stocks  | 8     | 23,089             |                  | 558,855            |                  |
| Debtors   | 9     | 1,505,810          |                  | 2,491,754          |                  |
| Cash at bank and in hand                              |       | 3,629,796          |                  | 3,391,824          |                  |
|   |       | <u>5,158,695</u>   |                  | <u>6,442,433</u>   |                  |
| <b>Creditors: amounts falling due within one year</b> | 10    | <u>(3,426,385)</u> |                  | <u>(5,344,896)</u> |                  |
| <b>Net current assets</b>                             |       |                    | <u>1,732,310</u> |                    | <u>1,097,537</u> |
| <b>Total assets less current liabilities</b>          |       |                    | <u>1,773,043</u> |                    | <u>1,104,294</u> |
| <b>Capital and reserves</b>                           |       |                    |                  |                    |                  |
| Called up share capital                               | 11    |                    | 400              |                    | 400              |
| Profit and loss account                               | 12    |                    | 1,772,643        |                    | 1,103,894        |
| <b>Shareholders' funds</b>                            | 13    |                    | <u>1,773,043</u> |                    | <u>1,104,294</u> |

Approved by the Board and authorised for issue on 20/11/16.....



E J Gower  
Director

Company Registration No. 05860629

# Academy Films Limited

## Cash Flow Statement

For the year ended 30 June 2015

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|  | £               | 2015<br>£          | £            | 2014<br>£        |
|--|-----------------|--------------------|--------------|------------------|
| <b>Net cash inflow from operating activities</b>                           |                 | 2,206,249          |              | 2,263,195        |
| <b>Returns on investments and servicing of finance</b>                     |                 |                    |              |                  |
| Interest received  | 11,355          |                    | 5,256        |                  |
|  | <u>11,355</u>   |                    | <u>5,256</u> |                  |
| <b>Net cash inflow for returns on investments and servicing of finance</b> |                 | 11,355             |              | 5,256            |
| <b>Taxation</b>  |                 | (443,609)          |              | (135,139)        |
| <b>Capital expenditure</b>   |                 |                    |              |                  |
| Payments to acquire tangible assets  | (42,673)        |                    | (750)        |                  |
|  | <u>(42,673)</u> |                    | <u>(750)</u> |                  |
| <b>Net cash outflow for capital expenditure</b>                            |                 | (42,673)           |              | (750)            |
| <b>Equity dividends paid</b>   |                 | (1,493,350)        |              | (379,384)        |
|  |                 | <u>(1,493,350)</u> |              | <u>(379,384)</u> |
| <b>Net cash inflow before management of liquid resources and financing</b> |                 | 237,972            |              | 1,753,178        |
|  |                 | <u>237,972</u>     |              | <u>1,753,178</u> |
| <b>Increase in cash in the year</b>  |                 | <u>237,972</u>     |              | <u>1,753,178</u> |

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# Academy Films Limited

## Notes to the Cash Flow Statement

For the year ended 30 June 2015

| 1 Reconciliation of operating profit to net cash outflow from operating activities | 2015             | 2014             |
|--|------------------|------------------|
|  | £                | £                |
| Operating profit   | 2,715,063        | 1,919,220        |
| Depreciation of tangible assets  | 8,697            | 11,296           |
| Decrease/(increase) in stocks  | 535,766          | (392,397)        |
| Decrease/(increase) in debtors   | 985,944          | (1,603,710)      |
| (Decrease)/Increase in creditors within one year                                   | (2,039,221)      | 2,328,786        |
| <b>Net cash inflow from operating activities</b>                                   | <u>2,206,249</u> | <u>2,263,195</u> |

| 2 Analysis of net funds  | 1 July 2014      | Cash flow      | Other non-30 June 2015<br>cash changes |
|--------------------------|------------------|----------------|--|
|                          | £                | £              | £                                      |
| Net cash:                |                  |                |  |
| Cash at bank and in hand | 3,391,824        | 237,972        | -                                      |
| Bank deposits            | -                | -              | -                                      |
| <b>Net funds</b>         | <u>3,391,824</u> | <u>237,972</u> | <u>-</u>                               |

| 3 Reconciliation of net cash flow to movement in net funds | 2015             | 2014             |
|--|------------------|------------------|
|  | £                | £                |
| Increase in cash in the year                               | 237,972          | 1,753,178        |
| <b>Movement in net funds in the year</b>                   | <u>237,972</u>   | <u>1,753,178</u> |
| Opening net funds  | 3,391,824        | 1,638,646        |
| <b>Closing net funds</b>                                   | <u>3,629,796</u> | <u>3,391,824</u> |

# Academy Films Limited

## Notes to the Financial Statements

For the year ended 30 June 2015

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

|                                |                      |
|--------------------------------|----------------------|
| Plant and machinery            | 33.33% straight line |
| Fixtures, fittings & equipment | 20% straight line    |

#### 1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.6 Stock and work in progress

Work in progress is valued at the lower of cost and net realisable value.

#### 1.7 Revenue recognition

Revenue is recognised in respect of the production of commercials from the point at which the company has obtained the right to consideration in return for performance. This is considered to be when all necessary approvals during the process of pre-production have been obtained from the commissioning agency and normally equates to the date at which shooting of the commercial commences. No profit element is recognised until the company is able to estimate the profit on the commercial reliably.

#### 1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

# Academy Films Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2015

### 2 Turnover

#### Geographical market

|       | Turnover          |                   |
|-------|-------------------|-------------------|
|       | 2015              | 2014              |
|       | £                 | £                 |
| UK    | 15,746,330        | 13,600,575        |
| Other | 2,525,990         | 3,836,060         |
|       | <u>18,272,320</u> | <u>17,436,635</u> |

### 3 Operating profit

|  | 2015            | 2014     |
|--|-----------------|----------|
|  | £               | £        |
| Operating profit is stated after charging:                       |                 |          |
| Depreciation of tangible assets                                  | 8,697           | 11,296   |
| Loss on foreign exchange transactions                            | -               | 62,743   |
| Operating lease rentals  | 243,051         | 252,239  |
| Auditors' remuneration (including expenses and benefits in kind) | 14,300          | 13,900   |
| and after crediting:   |                 |          |
| Profit on foreign exchange transactions                          | <u>(30,647)</u> | <u>-</u> |

### 4 Investment income

|               | 2015          | 2014         |
|---------------|---------------|--------------|
|               | £             | £            |
| Bank interest | <u>11,355</u> | <u>5,256</u> |
|               | <u>11,355</u> | <u>5,256</u> |

# Academy Films Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2015

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| <b>5 Taxation</b>  | <b>2015</b>      | <b>2014</b>      |
|--|------------------|------------------|
|  | <b>£</b>         | <b>£</b>         |
| <b>Domestic current year tax</b>   |                  |                  |
| U.K. corporation tax   | 562,112          | 441,403          |
| Adjustment for prior years   | 2,207            | (32)             |
| <b>Total current tax</b>   | <u>564,319</u>   | <u>441,371</u>   |
| <br>   |                  |                  |
| <b>Factors affecting the tax charge for the year</b>   |                  |                  |
| Profit on ordinary activities before taxation  | <u>2,726,418</u> | <u>1,924,476</u> |
| <br>   |                  |                  |
| <i>Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.75% (2014 - 22.50%)</i> | <u>565,732</u>   | <u>433,007</u>   |
| <br>   |                  |                  |
| Effects of:  |                  |                  |
| Non deductible expenses  | 3,680            | 6,321            |
| Depreciation add back  | 1,805            | 2,542            |
| Capital allowances   | (9,105)          | (499)            |
| Adjustments to previous periods  | 2,207            | -                |
|  | <u>(1,413)</u>   | <u>8,364</u>     |
| <br>   |                  |                  |
| <b>Current tax charge for the year</b>   | <u>564,319</u>   | <u>441,371</u>   |
| <br>   |                  |                  |
| <b>6 Dividends</b>   | <b>2015</b>      | <b>2014</b>      |
|  | <b>£</b>         | <b>£</b>         |
| Ordinary interim dividend for the year ended 30 June 2015  | 393,350          | 379,384          |
| Ordinary final dividend for the year ended 30 June 2014  | 1,100,000        | -                |
|  | <u>1,493,350</u> | <u>379,384</u>   |

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# Academy Films Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2015

### 7 Tangible fixed assets

|                       | Plant and<br>machinery | Fixtures,<br>fittings &<br>equipment | Total          |
|-----------------------|------------------------|--------------------------------------|----------------|
|                       | £                      | £                                    | £              |
| <b>Cost</b>           |                        |                                      |                |
| At 1 July 2014        | 21,882                 | 45,313                               | 67,195         |
| Additions             | 5,282                  | 37,391                               | 42,673         |
| At 30 June 2015       | <u>27,164</u>          | <u>82,704</u>                        | <u>109,868</u> |
| <b>Depreciation</b>   |                        |                                      |                |
| At 1 July 2014        | 21,690                 | 38,748                               | 60,438         |
| Charge for the year   | 1,009                  | 7,688                                | 8,697          |
| At 30 June 2015       | <u>22,699</u>          | <u>46,436</u>                        | <u>69,135</u>  |
| <b>Net book value</b> |                        |                                      |                |
| At 30 June 2015       | <u>4,465</u>           | <u>36,268</u>                        | <u>40,733</u>  |
| At 30 June 2014       | <u>192</u>             | <u>6,565</u>                         | <u>6,757</u>   |

### 8 Work in progress

|                  | 2015   | 2014    |
|------------------|--------|---------|
|                  | £      | £       |
| Work in progress | 23,089 | 558,855 |

### 9 Debtors

|                                | 2015             | 2014             |
|--------------------------------|------------------|------------------|
|                                | £                | £                |
| Trade debtors                  | 932,595          | 1,286,425        |
| Other debtors                  | 6,223            | 86,865           |
| Accrued income                 | 447,196          | 1,022,522        |
| Prepayments and accrued income | 119,796          | 95,942           |
|                                | <u>1,505,810</u> | <u>2,491,754</u> |



# Academy Films Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2015

| <b>10 Creditors: amounts falling due within one year</b> | <b>2015</b>      | <b>2014</b>      |
|--|------------------|------------------|
|  | <b>£</b>         | <b>£</b>         |
| Trade creditors  | 573,514          | 835,125          |
| Corporation tax  | 562,113          | 441,403          |
| Other taxes and social security costs                    | 310,291          | 520,684          |
| Directors' current accounts                              | 381,744          | 622,115          |
| Other creditors  | 200,051          | 338,047          |
| Accruals and deferred income                             | 1,398,672        | 2,587,522        |
|  | <u>3,426,385</u> | <u>5,344,896</u> |

Included in other creditors is amount of £200,000 (2014: £200,000) in respect of redeemable ordinary shares held by E Gower, a director.

| <b>11 Share capital</b>                   | <b>2015</b> | <b>2014</b> |
|---|-------------|-------------|
|   | <b>£</b>    | <b>£</b>    |
| <b>Allotted, called up and fully paid</b> |             |             |
| 100 Ordinary A Shares of £1 each          | 100         | 100         |
| 100 Ordinary B Shares of £1 each          | 100         | 100         |
| 100 Ordinary C Shares of £1 each          | 100         | 100         |
| 100 Ordinary D Shares of £1 each          | 100         | 100         |
|   | <u>400</u>  | <u>400</u>  |

The 'A' ordinary, 'B' ordinary, 'C' ordinary, 'D' ordinary shares and the redeemable ordinary shares all rank pari passu with the exception of when there are surplus assets of the company available for distribution among the members. In such a circumstance the following will apply:

Amounts will be paid upon the Redeemable Ordinary Shares.

Amounts will be repaid upon the 'A' ordinary, 'C' and 'D' ordinary shares.

All remaining assets will be distributed pari passu amongst the holders of the 'A' ordinary, 'C' ordinary, 'D' ordinary and redeemable ordinary shares.

The 'B' ordinary shares shall not confer any further right of participation in the profits or assets of the company.

# Academy Films Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2015

### 12 Statement of movements on profit and loss account

|                         | <b>Profit and loss<br/>account</b> |
|-------------------------|------------------------------------|
|                         | <b>£</b>                           |
| Balance at 1 July 2014  | 1,103,894                          |
| Profit for the year     | 2,162,099                          |
| Dividends paid          | (1,493,350)                        |
| Balance at 30 June 2015 | <u>1,772,643</u>                   |

### 13 Reconciliation of movements in Shareholders' funds

|                                     | <b>2015</b>      | <b>2014</b>      |
|-------------------------------------|------------------|------------------|
|                                     | <b>£</b>         | <b>£</b>         |
| Profit for the financial year       | 2,162,099        | 1,483,105        |
| Dividends                           | (1,493,350)      | (379,384)        |
| Net addition to shareholders' funds | <u>668,749</u>   | <u>1,103,721</u> |
| Opening Shareholders' funds         | 1,104,294        | 573              |
| Closing Shareholders' funds         | <u>1,773,043</u> | <u>1,104,294</u> |

### 14 Financial commitments

At 30 June 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 June 2016:

|                                | <b>Land and buildings</b> |                |
|--------------------------------|---------------------------|----------------|
|                                | <b>2015</b>               | <b>2014</b>    |
|                                | <b>£</b>                  | <b>£</b>       |
| Operating leases which expire: |                           |                |
| Within one year                | 67,500                    | -              |
| Between two and five years     | -                         | 135,000        |
|                                | <u>67,500</u>             | <u>135,000</u> |

# Academy Films Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2015

---

| <b>15 Directors' remuneration</b>    | <b>2015</b> | <b>2014</b> |
|--------------------------------------|-------------|-------------|
|                                      | <b>£</b>    | <b>£</b>    |
| Remuneration for qualifying services | 282,035     | 278,688     |

Remuneration disclosed above include the following amounts paid to the highest paid director:

|                                      |         |         |
|--------------------------------------|---------|---------|
| Remuneration for qualifying services | 175,000 | 175,000 |
|--------------------------------------|---------|---------|

## 16 Employees

### Number of employees

The average monthly number of employees (including directors) during the year was:

| <b>2015</b>   | <b>2014</b>   |
|---------------|---------------|
| <b>Number</b> | <b>Number</b> |
| 22            | 19            |

### Employment costs

|                       | <b>2015</b> | <b>2014</b> |
|-----------------------|-------------|-------------|
|                       | <b>£</b>    | <b>£</b>    |
| Wages and salaries    | 1,158,303   | 970,939     |
| Social security costs | 146,977     | 122,971     |
|                       | 1,305,280   | 1,093,910   |

## 17 Control

The ultimate controlling party is E J Gower.

## 18 Related party relationships and transactions

During the year a dividend of £325,055 (2014: £335,722) was paid to E J Gower, a director of the company.

At the balance sheet date £374,632 (2014: £398,840) was owed to the director and shareholder E J Gower and £7,112(2014: £223,275) was owed to the director and shareholder J Glazer.