Company Registration No. 04597862 (England and Wales)

THE VISUAL EFFECTS COMPANY LIMITED

CESSATION ACCOUNTS

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2018

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THE VISUAL EFFECTS COMPANY LIMITED
CESSATION ACCOUNTS
BALANCE SHEET

AS AT 31 MARCH 2018
Company Registration No. 04597862

	Notes	As at 31 March 2018 £	£	As at 28 February 2017 £	£
Fixed assets					
Tangible assets	**3**		-		4,613
Current assets					
Debtors	**4**	15,161		1,233,192	
Cash at bank and in hand		1,157,632		12,838	
		1,172,793		1,246,030	
Creditors: amounts falling due within one year	**5**	(307,606)		(272,632)	
Net current assets			865,187		973,398
Total assets less current liabilities			865,187		978,011
Capital and reserves					
Called up share capital	**6**		2		3
Capital redemption reserve			(221,099)		-
Profit and loss reserves			1,086,284		978,008
Total equity			865,187		978,011

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial Period ended 31 March 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the Period in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 23 July 2018 and are signed on its behalf by:

Mr M P Wooldridge
Director

THE VISUAL EFFECTS COMPANY LIMITED
CESSATION ACCOUNTS
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2018

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 29 February 2016		3	-	31,822	31,825
Period ended 28 February 2017:					
Profit and total comprehensive income for the period		-	-	946,186	946,186
Balance at 28 February 2017		3	-	978,008	978,011
Period ended 31 March 2018:					
Profit and total comprehensive income for the period		-	-	118,276	118,276
Dividends		-	-	(10,000)	(10,000)
Redemption of shares	**6**	-	(221,099)	-	(221,099)
Reduction of shares	**6**	(1)	-	-	(1)
Balance at 31 March 2018		2	(221,099)	1,086,284	865,187

1 Accounting policies

Company information

The Visual Effects Company Limited is a private company limited by shares incorporated in England and Wales. The registered office is 37 Warren Street, London, W1T 6AD.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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.

1.2 Reporting period

The company changed its year-end from 28th February 2018 to 31st March 2018 as it disposed all of its tangible assets on 20th March 2018 and ceased trading on 31st March 2018. The comparative amounts presented in the financial statements are for the 12 months period ended 28th February 2017.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

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

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

There was a fire in the company's office at Wimbley on 13th April 2017. The cost of restoration of plant and machineries and business losses arising from the fire were dealt with by the company's insurers.

1 Accounting policies **(Continued)**

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 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.

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.

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, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

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

Derecognition of financial liabilities

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

1.8 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 Accounting policies **(Continued)**

1.9 Taxation

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

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.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 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.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the Period was 7 (2017 - 7).

3 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 March 2017	-	9,163	9,163
Additions	1,026,531	1,457	1,027,988
Disposals	(1,026,531)	(10,620)	(1,037,151)
At 31 March 2018	-	-	-
Depreciation and impairment			
At 1 March 2017	-	4,549	4,549
Depreciation charged in the Period	118,067	1,900	119,967
Eliminated in respect of disposals	(118,067)	(6,449)	(124,516)
At 31 March 2018	-	-	-
Carrying amount			
At 31 March 2018	-	-	-
At 28 February 2017	-	4,613	4,613

4 Debtors

	2018	2017
Amounts falling due within one year:	£	£
Trade debtors	-	35,480
Other debtors	15,161	1,197,712
	15,161	1,233,192

5 Creditors: amounts falling due within one year

	2018	2017
	£	£
Bank loans and overdrafts	-	69,407
Trade creditors	1,089	101,498
Corporation tax	252,008	-
Other taxation and social security	11,498	16,514
Directors' current account	-	9,569
Other creditors	43,011	75,644
	307,606	272,632

6 Called up share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
2 Ordinary shares of £1 each	2	3
	2	3

7 Related party transactions

During the period the company incurred production fees as follows:

Baruska Ltd £65,146 (2017: £71,330) a company in which M Wooldridge is a director. As at the balance sheet date, the company owed £15,281 (2017: £29,281) to Baruska Ltd.

Pocket Cup Productions Ltd £Nil (2017: £52,581) a company in which R Delicata is a director. As at the balance sheet date, the company owed £Nil (2017: £12,759) to Pocket Cup Productions Ltd.

Virtucam Ltd £64,927 (2017: £71,330), a company in which T Nigoumi is a director. As at the balance sheet date, the company owed £19,614 (2017: £28,565) to Virtucam Ltd.

8 Parent company

The company is under the control of the directors by virtue of their 100% shareholding.