

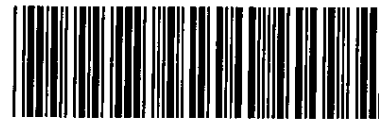
FILM FOUR LIMITED

Directors' report and financial statements

Registered number 03075944

for the year ended 31 December 2021

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FILM FOUR LIMITED

Directors' Report and Financial Statements

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Country of incorporation of parent company:	United Kingdom
Registered office and principal place of business:	124 Horseferry Road London SW1P 2TX
Legal form:	Limited Company
Registered Number:	03075944

FILM FOUR LIMITED

Directors' Report for the year ended 31 December 2021

The directors present their report and the audited financial statements of Film Four Limited (the "Company") for the year ended 31 December 2021.

Ownership

The Company is a wholly owned subsidiary of 4 Ventures Limited, and its ultimate parent is Channel Four Television Corporation (the "Corporation").

Principal activities

The Company's principal activity is to distribute film rights through its sales agent, Protagonist Pictures Limited and manage UK distribution rights. The Directors expect this activity to continue for the foreseeable future. 4 Ventures Limited, which is a wholly owned subsidiary of the Corporation, holds a 15% interest in Protagonist Pictures Limited.

Business review

The Company generated revenue of £0.8 million in 2021 (2020: £1.3 million) and made a loss after tax for the year of £0.1 million (2020: profit of £0.3 million).

The directors do not recommend the payment of a dividend (2020: £nil).

The Company has met the small company requirements of the Companies Act 2006 to obtain the exemption provided from the presentation of a strategic report. The results for the year are set out on pages 6 to 13 of these financial statements.

Credit risk

The balance sheet of the Company includes amounts due from group undertakings. The Company is therefore exposed to credit risk on these balances. The intercompany balances of the Company are detailed in note 6.

Directors

The directors who held office during the year and to the date of this report were as follows:

Martin Baker
Jonathan Allan

All of the directors are employees of the Corporation. There are qualifying third party indemnity provisions in place for the benefit of the directors which comply with the requirements of the Companies Act 2006.

Going concern

As a wholly owned subsidiary of 4 Ventures Limited, the Company has support and resources such that the directors believe that the Company is well placed to manage its business risks successfully. After additional consideration, management do not believe any significant risks are posed to the business as a result of the current economic climate or rising inflation experienced during 2022 to date.

Given that the Company is in a net assets and net current assets position at the balance sheet date, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and thus they continue to adopt the going concern basis in preparing the annual financial statements.

Employees

The Company has no employees (2020: none). Its activities are carried out by employees of the Corporation.

FILM FOUR LIMITED

Directors' Report (continued)

Exemption from audit

For the year ending 31 December 2021 the Company was entitled to exemption from audit under section 479a of the Companies Act 2006 relating to subsidiary companies. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts. A guarantee has been given by the Company's parent undertaking under section 479c of the Companies Act 2006.

By order of the Board

DocuSigned by:

Martin Baker

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Martin Baker

Director

13 September 2022

FILM FOUR LIMITED

Statement of Directors' Responsibilities

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable UK law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

FILM FOUR LIMITED**Statement of Comprehensive Income**
for the year ended 31 December 2021

	Note	2021 £m	2020 £m
Turnover	2	0.8	1.3
Cost of sales		<u>(0.8)</u>	<u>(1.0)</u>
Gross profit		<u>-</u>	<u>0.3</u>
Profit before taxation		-	0.3
Tax on profit	5	<u>(0.1)</u>	-
(Loss)/profit for the financial year		(0.1)	0.3
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive (loss)/income for the year		<u>(0.1)</u>	<u>0.3</u>

All recognised gains and losses are included in the statement of comprehensive income.

All results relate to continuing operations.

The notes on pages 9 to 13 form part of these financial statements.

FILM FOUR LIMITED**Balance Sheet**
as at 31 December 2021

	Note	2021 £m	2020 £m
Current assets			
Debtors	6	<u>7.1</u>	<u>6.9</u>
Creditors: amounts falling due within one year	7	<u>(2.0)</u>	<u>(1.7)</u>
Net current assets		<u>5.1</u>	<u>5.2</u>
Net assets		<u>5.1</u>	<u>5.2</u>
Capital and reserves			
Share capital	8	-	-
Retained earnings		<u>5.1</u>	<u>5.2</u>
		<u>5.1</u>	<u>5.2</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 101 'Reduced Disclosure Framework'.

For the year ending 31 December 2021 the Company was entitled to exemption from audit under section 479a of the Companies Act 2006 relating to subsidiary companies. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts. A guarantee has been given by the Company's parent undertaking under section 479c of the Companies Act 2006.

These financial statements of Film Four Limited (registered number 03075944) were approved and authorised for issue by the Board of Directors on 13 September 2022 and were signed on its behalf by:

DocuSigned by:

D4D05C9CF1E648A.
Martin Baker
Director

Registered number 03075944

The notes on pages 9 to 13 form part of these financial statements.

FILM FOUR LIMITED**Statement of Changes in Equity**
for the year ended 31 December 2021

	Share capital £m	Retained earnings £m	Total £m
At 1 January 2020	-	4.9	4.9
Profit for the year	-	0.3	0.3
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	0.3	0.3
At 31 December 2020	-	5.2	5.2
At 1 January 2021	-	5.2	5.2
Loss for the year	-	(0.1)	(0.1)
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	(0.1)	(0.1)
At 31 December 2021	-	5.1	5.1

The notes on pages 9 to 13 form part of these financial statements.

FILM FOUR LIMITED

Notes to the financial statements

1. Significant accounting policies

Basis of preparation

Film Four Limited (the "Company") is a private company incorporated, domiciled and registered in England in the UK.

The financial statements have been prepared in accordance with Financial Reporting Standard 100 *Application of Financial Reporting Requirements* and Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101) under the historical cost and going concern conventions. The policies have been consistently applied to all the years presented, unless otherwise stated.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted EU IFRS"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Disclosure exemptions adopted

In preparing these financial statements the company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- certain comparative information as otherwise required by EU endorsed IFRS;
- certain disclosures regarding the company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel;
- disclosure of certain information regarding the Company's contracts with customers under IFRS 15 *Revenue*; and
- disclosure of related party transactions with other wholly owned members of the group headed by the Corporation.

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of the Corporation. These financial statements do not include certain disclosures in respect of:

- financial instruments (other than certain disclosures required as a result of recording financial instruments at fair value)

Critical accounting judgements and sources of estimation

The preparation of financial statements in accordance with IFRS requires the Group to use estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of income and expense during the reported period. Although these estimates are based on management's best knowledge of the amount, event or actions, the relative uncertainty means actual results may ultimately differ from those estimates.

The preparation of financial statements also requires management to make critical judgements in the application of accounting policies.

Where a significant risk of materially different outcomes exist due to management assumptions or sources of estimation uncertainty, this represents a critical accounting estimate. Estimates and underlying assumptions are reviewed on an ongoing basis and based on historical experience and other factors including expectation of future events.

The directors have considered the above and do not believe that there are any estimates or assumptions which have a significant effect on the amounts recognised in the financial statements that require disclosure.

FILM FOUR LIMITED

Notes to the financial statements *(continued)*

Changes in accounting policies

No changes in accounting standards have taken place during the year which would have a material impact on the financial statements of the Company.

Revenue recognition

Turnover represents income receivable from the exploitation of film rights and is stated net of value added tax. Turnover is recognised when a contract with a customer has been identified and as each of the Company's performance obligations are fulfilled. In practice performance obligations are not deemed to be fulfilled until the Company is provided with a statement from a distributor and revenues can be reliably measured. Therefore timing of payment is in line with timing of revenue recognition and no material contract assets or liabilities are recognised.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Trade and other debtors

Trade and other debtors are reflected net of any expected credit loss.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

FILM FOUR LIMITED**Notes to the financial statements**
(continued)**2. Analysis of turnover**

Turnover arises principally from the sale of film rights and international programme rights. The geographical analysis by destination of turnover is as follows:

	2021 £m	2020 £m
United Kingdom	0.6	0.7
North America	0.1	0.5
Rest of Europe	0.1	0.1
Rest of World	-	-
	<u>0.8</u>	<u>1.3</u>

3. Auditor's remuneration

	2021 £000	2020 £000
Audit of these financial statements	<u>-</u>	<u>-</u>

For the year ending 31 December 2021 the Company was entitled to exemption from audit under section 479a of the Companies Act 2006 relating to subsidiary companies, and therefore the directors have not required the company to obtain an audit of its financial statements for the year.

4. Remuneration of directors

The directors and staff of the Company are employees of, and remunerated by, the Corporation. No amounts were paid to the directors of the Company for services to the Company (2020: £nil). No retirement benefits were accrued to directors for services to the Company.

5. Taxation***Analysis of charge in the year***

	2021 £m	2020 £m
Current tax	-	0.1
Group relief (receivable)/payable		
Adjustments for prior years	<u>0.1</u>	<u>(0.1)</u>
Total tax	<u>0.1</u>	<u>-</u>

FILM FOUR LIMITED**Notes to the financial statements**
(continued)**Factors affecting the tax charge for the year**

Corporation tax is charged at the standard UK rate of 19% for the year (2020: 19%). An increase in this rate to 25% (effective 1 April 2023) was announced in the 2021 Spring Budget and substantively enacted on 24 May 2021; this will increase the Company's future current tax charge accordingly.

The total tax charge for the year is higher than (2020: lower than) the standard rate of corporation tax in the UK of 19.0% (2020: 19%). The differences are as follows:

	2021 £m	2020 £m
<i>Current tax reconciliation</i>		
Profit before taxation	-	0.3
Current tax at 19% (2020: 19%)	-	0.1
<i>Effects of:</i>		
Adjustments for prior years	0.1	(0.1)
Total tax on profit	0.1	-

6. Debtors

	2021 £m	2020 £m
Amounts due from group undertakings	7.1	6.9
	7.1	6.9

Amounts due from group undertakings are repayable on demand. Losses with regard to amounts due from group undertakings are historically low and the Company's expected lifetime credit loss at 31 December 2021 is therefore nil.

7. Creditors: amounts falling due within one year

	2021 £m	2020 £m
Accruals	1.5	1.4
Other creditors	0.5	0.3
	2.0	1.7

FILM FOUR LIMITED**Notes to the financial statements***(continued)***8. Share capital**

	2021	2020
	£	£
<i>Authorised</i>		
1,000 Ordinary shares of £1 each	1,000	1,000
<i>Allotted, called up and fully paid</i>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

9. Ultimate parent company and group undertaking

Channel Four Television Corporation, a statutory corporation domiciled in the United Kingdom, is the ultimate parent and controlling party. The largest and smallest group in which the results of the Company are consolidated is that headed by the Corporation.

The consolidated financial statements of the Corporation are available to the public and may be obtained from the Board Secretary, Channel Four Television Corporation, 124 Horseferry Road, London SW1P 2TX (the registered address of the Corporation).

4 Ventures Limited is the Company's immediate parent undertaking.