

COMPANY REGISTRATION NUMBER: 08335925

42 M&P Ltd

Financial Statements

31 December 2022

Parent company of
OB Media Partners Limited

THURSDAY



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42 M&P Ltd

Financial Statements

Year ended 31 December 2022

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42 M&P Ltd

Officers and Professional Advisers

The board of directors

A R Aitken
K S Buckley-Sharma
B R Goldsmith
G C Horsfield
C J King
B R Pugh
H V Rabbatts
S B Stern
P A Sussman
J J S Varney

Registered office

Palladium House
7th Floor
1-4 Argyll Street
London
England
W1F 7TA

Auditor

Shipleys LLP
Chartered accountants & statutory auditor
10 Orange Street
Haymarket
London
WC2H 7DQ

42 M&P Ltd

Strategic Report

Year ended 31 December 2022

Strategic report

The Directors present their Strategic report on the affairs of the group, together with the audited financial statements and Auditor's Report for the year ended 31 December 2022. Accordingly, the financial statements comprise the year to 31 December 2022, with comparatives for the year to 31 December 2021.

Principal activities and business review

The principal activity of the Company and group during the period was that of film and television production and talent management. During the period, 42 M&P acquired Dalzell & Beresford Ltd and OB Media Partners Ltd and made a strategic investment in Manifest Music Ltd.

The directors are pleased to report a successful trading period for the group companies. We secured and successfully delivered several productions for a range of commissioners, whilst our management clients enjoyed a successful year, both of which are reflected in the results of our business.

Future developments

42 M&P will continue to operate as a distinctive company, representing the very best of creative talent in film, TV, entertainment and literature and producing programmes for major UK and US broadcasters for global audiences.

The film and television industry has experienced disruption during and since Covid and 42 have been well placed to meet any challenges and take advantage of the opportunities that this has brought in both the UK and US.

More disruption and change is expected but the leadership of the business is constantly focused on what such changes will mean for us as a business, regularly reviewing our strategy and operations to succeed in this evolving environment.

42 M&P continues to actively maintain and develop strong working relationships with key broadcasters whilst representing an incredible talent list that continues to grow through exciting new additions.

Going concern

The Directors have undertaken an assessment of whether the Company was a going concern when the accounts were prepared, considering all available information about the future, covering a period of 12 months from the date of the approval of the accounts.

A detailed budget and cashflow have been prepared. After considering all factors, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the accounts.

42 M&P Ltd

Strategic Report *(continued)*

Year ended 31 December 2022

Directors' statement of compliance with duty to promote the success of the Company

Pursuant to s172.1 (a) to (f) of the Companies Act 2006 the Directors of the Company would like to report on the decisions taken, in good faith, to promote the success of the Company (for the benefit of its members as a whole) whilst at the same time provide an account of the long term, impacts of those decisions and their impact on the stakeholders of the Company.

Corporate and social responsibility

Corporate and social responsibility is a fundamental doctrine of our activities as a Company. Within this responsibility we are committed to championing diversity and inclusion in the media industry and are continually striving to have a positive and lasting impact on our local community and key stakeholders, principally, our employees, shareholders, audiences, talent, customers and suppliers. Our definition of success strikes a balance between being a global award-winning content producer and striving for high performance whilst operating in an inclusive, sustainable, environmental and socially responsible manner.

Employee- related matters

The wellbeing and safety of our employees is of paramount importance. We strive to provide the best possible physical working environment, whilst also cultivating a diverse, inclusive, fair and open culture. We have continued to strive for a workforce that reflects the diversity in our society.

Environmental matters

The impact of our activities on the communities we work within is considered in all aspects of our work. We have a commitment to operate sustainably and with as minimal environmental impact as possible.

Anti-corruption and fraud

We use reasonable steps for prevention and detection of fraud as referenced in the Statement of directors' responsibilities (page 6) and to safeguard the assets, ongoing success and wellbeing of the Company and all its key stakeholders.

13 October 2023

This report was approved by the board of directors on and signed on behalf of the board by:



A R Aitken
Director

42 M&P Ltd

Directors' Report

Year ended 31 December 2022

The directors present their report and the financial statements of the group for the year ended 31 December 2022.

Directors

The directors who served the company during the year were as follows:

A R Aitken	
K S Buckley-Sharma	
G C Horsfield	
C J King	
B R Pugh	
H V Rabbatts	
P A Sussman	
J J S Varney	
B R Goldsmith	(Appointed 9 June 2022)
S B Stern	(Appointed 9 June 2022)

Dividends

Particulars of recommended dividends are detailed in note 13 to the financial statements.

Financial instruments

The Company's principal financial instruments comprise bank balances, loans, trade creditors and trade debtors. The main purpose of these instruments is to raise funds to finance the Company's operations.

Due to the nature of the financial instruments used by the Company, there is no exposure to price risk. The Company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a balance sufficient to meet the funds required for the Company's operations. The Company makes use of money market facilities where funds are available.

Trade debtors are managed in respect of credit and cash flow risk by ensuring that amounts due are received in a timely manner.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Overseas branches

The Company was incorporated in the United Kingdom and has no overseas branches.

Disclosure of information in the strategic report

In accordance with section 41C (11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, various matters previously dealt with in the Directors' report are now included in the Strategic Report.

42 M&P Ltd

Directors' Report *(continued)*

Year ended 31 December 2022

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

13 October 2023

This report was approved by the board of directors on and signed on behalf of the board by:



A R Aitken
Director

42 M&P Ltd

Directors' Responsibilities Statement

Year ended 31 December 2022

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 group and the company and the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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.

42 M&P Ltd

Independent Auditor's Report to the Members of 42 M&P Ltd

Year ended 31 December 2022

Opinion

We have audited the financial statements of 42 M&P Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

42 M&P Ltd

Independent Auditor's Report to the Members of 42 M&P Ltd (continued)

Year ended 31 December 2022

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

42 M&P Ltd

Independent Auditor's Report to the Members of 42 M&P Ltd *(continued)*

Year ended 31 December 2022

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the Company's business, controls, legal and regulatory frameworks, laws and regulations and assessed the susceptibility of the Company's financial statements to material misstatement from irregularities, including fraud, and instances of non-compliance with laws and regulations.

Based on this understanding we designed our audit procedures to detecting irregularities, including fraud. Testing undertaken included making enquiries on the management; journal entry testing and any correspondence received from regulatory bodies; reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

42 M&P Ltd

Independent Auditor's Report to the Members of 42 M&P Ltd *(continued)*

Year ended 31 December 2022

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The prior year figures for the year ending 31 December 2021 were unaudited in accordance with section 477 of the Companies Act 2006 relating to small companies. We have carried out sufficient audit testing of the opening balances to ensure they do not contain misstatements that materially affect the current period's financial statements.

Use of our report

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Stephen Joberns (Senior Statutory Auditor)

For and on behalf of
Shipleys LLP
Chartered accountants & statutory auditor
10 Orange Street
Haymarket
London
WC2H 7DQ

42 M&P Ltd

Consolidated Statement of Comprehensive Income

Year ended 31 December 2022

	Note	2022 £	2021 £
Turnover	4	29,224,451	64,589,036
Cost of sales		(19,775,807)	(57,034,411)
Gross profit		9,448,644	7,554,625
Administrative expenses		(11,214,087)	(8,231,124)
Other operating income	5	–	19,596
Operating loss	6	(1,765,443)	(656,903)
Share of loss of associates	17	(22,166)	–
Share of (loss)/profit of joint ventures	17	(5,201)	10,572
Other interest receivable and similar income	10	1,813	148
Interest payable and similar expenses	11	(78,332)	(51,851)
Loss before taxation		(1,869,329)	(698,034)
Tax on loss	12	3,386,828	2,650,916
Profit for the financial year		1,517,499	1,952,882
Foreign currency retranslation		(54,184)	7,524
Total comprehensive income for the year		1,463,315	1,960,406

All the activities of the group are from continuing operations.

The notes on pages 17 to Error! Bookmark not defined. form part of these financial statements.

42 M&P Ltd

Consolidated Statement of Financial Position

31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	15	4,632,069	—
Tangible assets	16	254,780	162,531
Investments	17	756,332	10,574
		<u>5,643,181</u>	<u>173,105</u>
Current assets			
Stocks	18	13,125	1,822,211
Debtors	19	8,808,797	4,001,979
Cash at bank and in hand		5,778,574	11,057,471
		<u>14,600,496</u>	<u>16,881,661</u>
Creditors: amounts falling due within one year	20	(12,339,819)	(14,938,533)
Net current assets		<u>2,260,677</u>	<u>1,943,128</u>
Total assets less current liabilities		7,903,858	2,116,233
Creditors: amounts falling due after more than one year	21	(5,696,614)	(1,320,000)
Provisions	22	(32,917)	(85,229)
Net assets		<u>2,174,327</u>	<u>711,004</u>
Capital and reserves			
Called up share capital	25	1,257	1,249
Share premium account	26	410,402	410,402
Profit and loss account	26	1,762,668	299,353
Shareholders funds		<u>2,174,327</u>	<u>711,004</u>

These financial statements were approved by the board of directors and authorised for issue on 13 October 2023, and are signed on behalf of the board by:



A R Aitken
Director

Company registration number: 08335925

The notes on pages 17 to Error! Bookmark not defined. form part of these financial statements.

42 M&P Ltd

Company Statement of Financial Position

31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	15	700,326	—
Tangible assets	16	203,510	162,531
Investments	17	7,398,898	15
		<u>8,302,734</u>	<u>162,546</u>
Current assets			
Debtors	19	5,075,573	2,128,196
Cash at bank and in hand		3,068,416	4,630,189
		<u>8,143,989</u>	<u>6,758,385</u>
Creditors: amounts falling due within one year	20	(7,040,359)	(4,460,547)
Net current assets		<u>1,103,630</u>	<u>2,297,838</u>
Total assets less current liabilities		<u>9,406,364</u>	<u>2,460,384</u>
Creditors: amounts falling due after more than one year	21	(5,696,614)	(1,320,000)
Provisions	22	(30,229)	(85,229)
Net assets		<u>3,679,521</u>	<u>1,055,155</u>
Capital and reserves			
Called up share capital	25	1,257	1,249
Share premium account	26	410,402	410,402
Profit and loss account	26	3,267,862	643,504
Shareholders funds		<u>3,679,521</u>	<u>1,055,155</u>

The profit for the financial year of the parent company was £2,624,358 (2021: £1,708,722).

These financial statements were approved by the board of directors and authorised for issue on 13 October 2023, and are signed on behalf of the board by:



A R Aitken
Director

Company registration number: 08335925

The notes on pages 17 to Error! Bookmark not defined. form part of these financial statements.

42 M&P Ltd

Consolidated Statement of Changes in Equity

Year ended 31 December 2022

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 January 2021	1,249	410,402	(630,053)	(218,402)
Profit for the year			1,952,882	1,952,882
Other comprehensive income for the year:				
Foreign currency retranslation	—	—	7,524	7,524
Total comprehensive income for the year	—	—	1,960,406	1,960,406
Dividends paid and payable	13	—	(1,031,000)	(1,031,000)
Total investments by and distributions to owners	—	—	(1,031,000)	(1,031,000)
At 31 December 2021	1,249	410,402	299,353	711,004
Profit for the year			1,517,499	1,517,499
Other comprehensive income for the year:				
Foreign currency retranslation	—	—	(54,184)	(54,184)
Total comprehensive income for the year	—	—	1,463,315	1,463,315
Issue of shares	8	—	—	8
Total investments by and distributions to owners	8	—	—	8
At 31 December 2022	1,257	410,402	1,762,668	2,174,327

The notes on pages 17 to Error! Bookmark not defined. form part of these financial statements.

42 M&P Ltd

Company Statement of Changes in Equity

Year ended 31 December 2022

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 January 2021	1,249	410,402	(34,218)	377,433
Profit for the year			1,708,722	1,708,722
Total comprehensive income for the year	—	—	1,708,722	1,708,722
Dividends paid and payable 13	—	—	(1,031,000)	(1,031,000)
Total investments by and distributions to owners	—	—	(1,031,000)	(1,031,000)
At 31 December 2021	1,249	410,402	643,504	1,055,155
Profit for the year			2,624,358	2,624,358
Total comprehensive income for the year	—	—	2,624,358	2,624,358
Issue of shares	8	—	—	8
Total investments by and distributions to owners	8	—	—	8
At 31 December 2022	1,257	410,402	3,267,862	3,679,521

The notes on pages 17 to Error! Bookmark not defined. form part of these financial statements.

42 M&P Ltd

Consolidated Statement of Cash Flows

Year ended 31 December 2022

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	1,517,499	1,952,882
<i>Adjustments for:</i>		
Depreciation of tangible assets	70,106	43,258
Amortisation of intangible assets	59,091	—
Share of profit of associates	22,166	—
Share of profit of joint ventures	5,201	(10,572)
Other interest receivable and similar income	(1,813)	(148)
Interest payable and similar expenses	78,332	51,851
Unrealised foreign currency (gains)/loss	(54,184)	7,524
Tax on profit	(3,386,828)	(2,650,916)
Accrued (income)/expenses	(598,611)	984,740
<i>Changes in:</i>		
Stocks	1,809,086	(1,609,750)
Trade and other debtors	1,292,782	(2,010,603)
Trade and other creditors	(2,617,607)	4,349,721
Provisions and employee benefits	(52,312)	55,000
Cash generated from operations	(1,857,092)	1,162,987
Interest paid	(78,332)	(51,851)
Interest received	1,813	148
Tax received	432,348	3,721,098
Net cash (used in)/from operating activities	(1,501,263)	4,832,382
Cash flows from investing activities		
Purchase of tangible assets	(162,355)	(147,969)
Purchase of intangible assets	(4,691,160)	—
Acquisition of interests in associates and joint ventures	(773,125)	—
Net cash used in investing activities	(5,626,640)	(147,969)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	8	—
Proceeds from borrowings	1,848,998	419,097
Repayments of borrowings	—	(4,682,054)
Dividends paid	—	(1,031,000)
Net cash from/(used in) financing activities	1,849,006	(5,293,957)
Net decrease in cash and cash equivalents	(5,278,897)	(609,544)
Cash and cash equivalents at beginning of year	11,057,471	11,667,015
Cash and cash equivalents at end of year	5,778,574	11,057,471

The notes on pages 17 to Error! Bookmark not defined. form part of these financial statements.

42 M&P Ltd

Notes to the Financial Statements

Year ended 31 December 2022

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Palladium House, 7th Floor, 1-4 Argyll Street, London, W1F 7TA, England.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The directors have undertaken a rigorous assessment of whether the company was a going concern when the accounts were prepared, considering all available information about the future, covering a period of more than 12 months from the date of approval of the accounts.

The directors have reviewed future forecasts based on production and client representation expectations. The directors believe that support will continue to be available from the shareholders and therefore they consider it appropriate to prepare the accounts on a Going Concern basis.

Comparatives

The accounts cover the year from 1 January 2022 to 31 December 2022. The comparatives cover the year from 1 January 2021 to 31 December 2021.

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) Disclosures in respect of share-based payments have not been presented.
- (e) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The financial statements consolidate the financial statements of 42 M&P Ltd and all of its subsidiary undertakings.

42 M&P Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Consolidation *(continued)*

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

Judgements and key sources of estimation uncertainty

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

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

Revenue recognition

Turnover comprises revenue recognised by the Company in respect of management fees from clientele for whom the Company acts as an agent during the reporting period, as well as income from productions, exclusive of value added tax.

Production Revenue

Production revenue represents the revenue receivable on contracts for the production of film and television programmes. Production revenue is recognised based on the stage of completion in accordance with the underlying contract obligations. Amounts due under agreements for which contractual obligations have not been fulfilled have not been credited to the profit and loss are held as accrued income on the balance sheet.

Distribution Revenue

Where applicable the Company may also recognise a Premium, which is payable to Producers in exchange for the worldwide distribution rights of a project. This amount is generally set and agreed at the outset of a production. Distribution revenue is recognised based on the stage of completion in accordance with the underlying contract obligations. Each production is assessed on a case by case basis and an appropriate percentage of revenue is held back to reflect the potential inability to deliver. The Company may also receive other distribution revenue or royalties which would be recognised on payment receipt basis.

Management Revenue

Management revenue is credited to the profit and loss account when royalties and fees are accepted and distributed on behalf of clients.

42 M&P Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Revenue recognition *(continued)*

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that it is probable the expenses recognised will be recovered.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies in relation to specific productions are translated into sterling at the rate of exchange as set out in the agreement with the relevant broadcaster. Exchange differences are taken into account in arriving at the operating profit.

Operating leases

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

42 M&P Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	Over 5 - 10 years
Website	-	20% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Research and development

Research expenditure is written off in the period in which it is incurred.

Development expenditure incurred is capitalised as an intangible asset only when all of the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- There is the intention to complete the intangible asset and use or sell it;
- There is the ability to use or sell the intangible asset;
- The use or sale of the intangible asset will generate probable future economic benefits;
- There are adequate technical, financial and other resources available to complete the development and to use or sell the intangible asset; and
- The expenditure attributable to the intangible asset during its development can be measured reliably.

Expenditure that does not meet the above criteria is expensed as incurred.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

42 M&P Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Long leasehold property	-	Over the lease term
Fixtures and fittings	-	20% straight line
Equipment	-	25% straight line
Computer Equipment	-	25% straight line

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Investments in associates

Investments in associates are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate.

Investments in joint ventures

Investments in joint ventures are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the joint venture.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

42 M&P Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to reflect fair value using a quoted market price in an active market.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

42 M&P Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

4. Turnover

Turnover arises from:

	2022 £	2021 £
Production	19,727,233	58,062,356
Management	9,497,218	6,526,680
	<u>29,224,451</u>	<u>64,589,036</u>

The turnover is attributable to the one principal activity of the group. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2022 £	2021 £
United Kingdom	26,438,499	25,897,499
Overseas	2,785,952	38,691,537
	<u>29,224,451</u>	<u>64,589,036</u>

5. Other operating income

	2022 £	2021 £
Other operating income	—	19,596

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2022 £	2021 £
Amortisation of intangible assets	59,091	—
Depreciation of tangible assets	70,106	43,258
Impairment of trade debtors	2,598	17,271
Research and development expenditure written off	91,120	147,898
Foreign exchange differences	<u>(29,488)</u>	<u>(14,667)</u>

7. Auditor's remuneration

	2022 £	2021 £
Fees payable for the audit of the financial statements	30,000	17,500
Fees payable for the audit of other members of the group	<u>29,500</u>	<u>10,000</u>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	6,000	—
Other non-audit services for other members of the group	<u>15,750</u>	<u>15,000</u>

42 M&P Ltd

Notes to the Financial Statements (continued)

Year ended 31 December 2022

8. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2022 No.	2021 No.
Administrative staff	68	62

The aggregate payroll costs incurred during the year, relating to the above, were:

	2022 £	2021 £
Wages and salaries	6,326,766	5,202,944
Social security costs	726,141	511,945
Other pension costs	95,152	68,817
	<u>7,148,059</u>	<u>5,783,706</u>

9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2022 £	2021 £
Remuneration	1,962,875	2,073,998
Company contributions to defined contribution pension plans	15,000	9,750
	<u>1,977,875</u>	<u>2,083,748</u>

Remuneration of the highest paid director in respect of qualifying services:

	2022 £	2021 £
Aggregate remuneration	650,000	494,000

10. Other interest receivable and similar income

	2022 £	2021 £
Interest receivable and similar income	1,813	148

11. Interest payable and similar expenses

	2022 £	2021 £
Interest payable and expenses	78,332	51,851

42 M&P Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

12. Tax on profit

Major components of tax expense

	2022 £	2021 £
Current tax:		
UK current tax income	(3,386,828)	(2,670,280)
Deferred tax:		
Origination and reversal of timing differences	—	19,364
Tax on profit	<u>(3,386,828)</u>	<u>(2,650,916)</u>

Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

	2022 £	2021 £
Loss on ordinary activities before taxation	(1,869,329)	(698,034)
Loss on ordinary activities by rate of tax	(355,173)	(132,626)
Effect of expenses not deductible for tax purposes	24,672	47,393
Effect of capital allowances and depreciation	1,409	4,823
Utilisation of tax losses	—	(69,710)
Unused tax losses	853,502	480,707
High-end television tax relief	(3,386,528)	(2,670,661)
Group relief	(524,710)	(310,842)
Tax on profit	<u>(3,386,828)</u>	<u>(2,650,916)</u>

13. Dividends

	2022 £	2021 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	—	1,031,000

42 M&P Ltd**Notes to the Financial Statements** *(continued)***Year ended 31 December 2022****14. Share options**

The Company operates two share-based compensation plans granting share options to employees. Share options granted to employees are under the Enterprise Management Initiative ("EMI") scheme and vest either immediately or over a two year period. At the year-end no shares had been vested.

The total number of options granted were as follows:

	2022	WAEP £	2021	WAEP £
Balance brought forward	5,250	1	5,600	1
Share options granted	4,675	100	—	—
Share options lapsed	(250)	1	(350)	1
Balance carried forward	<u>9,675</u>	<u>49</u>	<u>5,250</u>	<u>1</u>

Note that WAEP is an abbreviation of "weighted average exercise price".

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. The fair value of awards granted under EMI is measured using a Black Scholes model. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each Statement of Financial Position date, the Company will revise its estimates of the number of options expected to vest, and any changes in estimate will be recognised in the income statement, with a corresponding adjustment in equity as per FRS 102.

During the year, the company recognised total share-based payment expenses of £nil (2021: £nil).

15. Intangible assets

Group	Goodwill £	Website £	Total £
Cost			
At 1 January 2022	—	—	—
Additions	4,672,700	—	4,672,700
Acquisitions through business combinations	—	18,460	18,460
At 31 December 2022	<u>4,672,700</u>	<u>18,460</u>	<u>4,691,160</u>
Amortisation			
At 1 January 2022	—	—	—
Charge for the year	56,783	2,308	59,091
At 31 December 2022	<u>56,783</u>	<u>2,308</u>	<u>59,091</u>
Carrying amount			
At 31 December 2022	<u>4,615,917</u>	<u>16,152</u>	<u>4,632,069</u>
At 31 December 2021	—	—	—

42 M&P Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

15. Intangible assets *(continued)*

Company	Goodwill £
Cost	
At 1 January 2022	—
Additions	757,109
At 31 December 2022	757,109
Amortisation	
At 1 January 2022	—
Charge for the year	56,783
At 31 December 2022	56,783
Carrying amount	
At 31 December 2022	700,326
At 31 December 2021	—

16. Tangible assets

Group	Long leasehold property £	Fixtures and fittings £	Equipment £	Computer Equipment £	Total £
Cost					
At 1 January 2022	166,888	80,550	55,121	74,165	376,724
Additions	20,139	64,617	13,547	36,966	135,269
Acquisitions through business combinations	1,474	—	2,728	22,884	27,086
At 31 December 2022	188,501	145,167	71,396	134,015	539,079
Depreciation					
At 1 January 2022	41,702	49,197	54,278	69,016	214,193
Charge for the year	34,249	20,405	4,140	11,312	70,106
At 31 December 2022	75,951	69,602	58,418	80,328	284,299
Carrying amount					
At 31 December 2022	112,550	75,565	12,978	53,687	254,780
At 31 December 2021	125,186	31,353	843	5,149	162,531

42 M&P Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

16. Tangible assets *(continued)*

Company	Long leasehold property £	Fixtures and fittings £	Equipment £	Computer Equipment £	Total £
Cost					
At 1 January 2022	166,888	59,789	19,457	74,165	320,299
Additions	20,139	39,682	5,478	36,966	102,265
At 31 December 2022	187,027	99,471	24,935	111,131	422,564
Depreciation					
At 1 January 2022	41,702	28,436	18,614	69,016	157,768
Charge for the year	34,249	15,417	878	10,742	61,286
At 31 December 2022	75,951	43,853	19,492	79,758	219,054
Carrying amount					
At 31 December 2022	111,076	55,618	5,443	31,373	203,510
At 31 December 2021	125,186	31,353	843	5,149	162,531

17. Investments

Group	Interests in associates £	Joint ventures £	Total £
Share of net assets/cost			
At 1 January 2022	—	10,574	10,574
Additions	773,125	—	773,125
Share of profit or loss	(22,166)	(5,201)	(27,367)
At 31 December 2022	750,959	5,373	756,332
Impairment			
At 1 January 2022 and 31 December 2022	—	—	—
Carrying amount			
At 31 December 2022	750,959	5,373	756,332
At 31 December 2021	—	10,574	10,574
Company			Shares in group undertakings £
Cost			
At 1 January 2022			15
Additions			7,398,883
At 31 December 2022			7,398,898
Impairment			
At 1 January 2022 and 31 December 2022			—

42 M&P Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

17. Investments *(continued)*

Company	Shares in group undertakings £
Carrying amount	
At 31 December 2022	7,398,898
At 31 December 2021	15

Subsidiaries, associates and other investments

Details of the investments in which the group and the parent company have an interest of 20% or more are as follows:

	Country of incorporation	Class of share	Percentage of shares held
Subsidiary undertakings			
42 US Inc	United States of America	Ordinary	100
Dalzell & Beresford Ltd	United Kingdom	Ordinary	100
OB Media Partners Ltd	United Kingdom	Ordinary	100
OB Media Productions Inc	United States of America	Ordinary	100
Military Wives Choir Film Ltd	United Kingdom	Ordinary	100
Nutmeg (42) Ltd	United Kingdom	Ordinary	100
Outside The Wire Ltd	United Kingdom	Ordinary	100
Watership Down Television Ltd	United Kingdom	Ordinary	100
Sand Castle Movie Ltd	United Kingdom	Ordinary	100
The Weekend Away Ltd	United Kingdom	Ordinary	100
Flatshare Television Ltd	United Kingdom	Ordinary	100
STORY/VRSE Ltd	United Kingdom	Ordinary	100
AJD Movie Ltd	United Kingdom	Ordinary	100
Five Blind Dates Ltd	United Kingdom	Ordinary	100
Billionaire's Curse Ltd	United Kingdom	Ordinary	100
ETOR Movie LLC	United States of America	Ordinary	100
Night Teeth Inc	United States of America	Ordinary	100
TGB Television Ltd	United Kingdom	Ordinary	100
Silent Twins Film Ltd	United Kingdom	Ordinary	100
Night Teeth Canada Inc	Canada	Ordinary	100
Other significant holdings			
Manifest Music Ltd	United Kingdom	Ordinary	25
Ironbark Film Ltd	United Kingdom	Ordinary	50
New Black Ice Ltd	United Kingdom	Ordinary	50

Investments in Group Undertakings

Of the above subsidiaries, the following are not exempt from the requirements of the Companies Act 2006 under the provisions of s479A-s479C relating to the audit of individual financial statements:

- Flatshare Television Ltd

42 M&P Ltd

Notes to the Financial Statements (continued)

Year ended 31 December 2022

18. Stocks

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Work in progress	13,125	1,822,211	—	—

19. Debtors

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	750,258	1,419,592	169,952	1,257
Amounts owed by group undertakings	—	—	1,836,304	1,624,591
Deferred tax asset	205	—	—	—
Prepayments and accrued income	3,765,148	1,441,818	2,940,869	168,689
Directors loan account	—	82,456	—	73,674
Corporation Tax Recoverable	3,427,171	103,128	—	—
Other debtors	866,015	954,985	128,448	259,985
	8,808,797	4,001,979	5,075,573	2,128,196

20. Creditors: amounts falling due within one year

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans and overdrafts	780,000	419,097	780,000	330,000
Trade creditors	2,299,056	2,872,411	1,432,293	2,193,413
Amounts owed to group undertakings	—	—	1,792,469	—
Accruals and deferred income	4,673,724	10,893,537	2,021,974	1,135,500
Corporation tax	—	381	—	—
Social security and other taxes	428,773	658,064	496,382	751,840
Director loan accounts	18,095	—	—	—
Other creditors	4,140,171	95,043	517,241	49,794
	12,339,819	14,938,533	7,040,359	4,460,547

21. Creditors: amounts falling due after more than one year

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans and overdrafts	2,790,000	1,320,000	2,790,000	1,320,000
Other creditors	2,906,614	—	2,906,614	—
	5,696,614	1,320,000	5,696,614	1,320,000

42 M&P Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

22. Provisions

Group	Deferred tax (note 23) £	Contingent Liability £	Total £
At 1 January 2022	30,229	55,000	85,229
Additions	2,688	—	2,688
Unused amounts reversed	—	(55,000)	(55,000)
At 31 December 2022	32,917	—	32,917

Company	Deferred tax (note 23) £	Contingent Liability £	Total £
At 1 January 2022	30,229	55,000	85,229
Unused amounts reversed	—	(55,000)	(55,000)
At 31 December 2022	30,229	—	30,229

23. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Included in debtors (note 19)	205	—	—	—
Included in provisions (note 22)	(32,917)	(30,229)	(30,229)	(30,229)
	(32,712)	(30,229)	(30,229)	(30,229)

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Provisions	(32,712)	(30,229)	(30,229)	(30,229)

24. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £95,152 (2021: £68,817).

42 M&P Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

25. Called up share capital

Issued, called up and fully paid

	2022		2021	
	No.	£	No.	£
Ordinary shares of £0.01 each	63,298	633	84,200	842
Ordinary A shares of £0.01 each	21,200	212	21,200	212
Ordinary B shares of £0.01 each	14,087	141	19,500	195
Ordinary C shares of £0.01 each	27,065	271	—	—
	<u>125,650</u>	<u>1,257</u>	<u>124,900</u>	<u>1,249</u>

Share movements

	No.	£
Ordinary		
At 1 January 2022	84,200	842
Issue of shares	750	8
Shares cancelled	(21,652)	(217)
At 31 December 2022	<u>63,298</u>	<u>633</u>
Ordinary B		
At 1 January 2022	19,500	195
Shares cancelled	(5,413)	(54)
At 31 December 2022	<u>14,087</u>	<u>141</u>
Ordinary C		
At 1 January 2022	—	—
Issue of shares	27,065	271
At 31 December 2022	<u>27,065</u>	<u>271</u>

42 M&P Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

26. Reserves

Share capital

The ordinary share capital account represents the amount subscribed for shares at nominal value.

Share premium

The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Retained earnings

Retained earnings include all results as disclosed in the statement of comprehensive income.

27. Analysis of changes in net debt

	At 1 Jan 2022	Cash flows	At 31 Dec 2022
	£	£	£
Cash at bank and in hand	11,057,471	(5,278,897)	5,778,574
Debt due within one year	(419,097)	(378,998)	(798,095)
Debt due after one year	(1,320,000)	(1,470,000)	(2,790,000)
	<u>9,318,374</u>	<u>(7,127,895)</u>	<u>2,190,479</u>

28. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Not later than 1 year	240,298	371,364	240,298	371,364
Later than 1 year and not later than 5 years	–	170,051	–	170,051
	<u>240,298</u>	<u>541,415</u>	<u>240,298</u>	<u>541,415</u>

42 M&P Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

29. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company and its subsidiary undertakings:

	2022			
	Balance brought forward £	Advances/ (credits) to the directors £	Amounts repaid £	Balance outstanding £
K S Buckley-Sharma	—	—	—	—
J J S Varney	82,456	(26,877)	(73,674)	(18,095)
	<u>82,456</u>	<u>(26,877)</u>	<u>(73,674)</u>	<u>(18,095)</u>
	2021			
	Balance brought forward £	Advances/ (credits) to the directors £	Amounts repaid £	Balance outstanding £
K S Buckley-Sharma	22,000	—	(22,000)	—
J J S Varney	59,837	22,619	—	82,456
	<u>81,837</u>	<u>22,619</u>	<u>(22,000)</u>	<u>82,456</u>

30. Related party transactions

Company

All related-party transactions that took place in the year were made on terms equivalent to those that prevail in arm's length transactions and therefore are not required to be disclosed under FRS 102.

31. Controlling party

There is considered to be no ultimate controlling party.